Canada's Next Five Years (Page 11)

THE FINANCIAL POST

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The Canadian Newspaper for Business Men and Investors

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The Nation's Business

Looking Ahead In Canada

Leaders Discuss Major Problems

Ottawa Insists Upon Economy

Railway Problem One Issue Dodged

Charting Canada's Next Five Years

THIS week The Financial Post presents to its readers the first of a series of articles which may be regarded as of major importance.

A number of leading Canadians, representative of all phases of Canadian life and points of view, are being asked what they consider Canada's five major problems and how they should be dealt with. This week four representative Canadians express their views. Included are a leading banker - industrialist, a former president of one of our major universities, our most widely known economist, and a western farmer.

* * *

FROM C. H. Carlisle there was to be expected the sensible, business-like statement of our position that he has provided as his contribution to The Financial Post's series of articles. First problem calling for solution is, in Mr. Carlisle's opinion, that of unemployment. We must abolish the dole in the next few years. This is to be done only through increased production, which in turn implies lower costs. Mr. Carlisle places proper emphasis upon reduced taxation, solution of the railway problem, stability of currency and an increased interest in public affairs as factors likely to insure recovery.

Sir Robert Falconer, as a distinguished student of international affairs, urges Canada to determine more clearly its attitude toward world problems. Partnership with the British peoples and with the League of Nations is our best policy, he contends.

Stephen Leacock, in his contribution, runs true to form. He writes an airy, amusing comment on the railway problem, but in the points he makes he is deadly in earnest. Put it up to the C.N.R. board to make a profit and give them authority to do anything necessary to accomplish that end, is his simple answer to the railway question.

No difficulty was experienced by E. J. Young, veteran western farm spokesman, in finding five key problems to discuss but in his opinion solution of all of them depends upon solving the first problem—that of markets. Mr. Young believes we can find export markets if we go after them but to enable our primary producer to meet world competition their costs call for adjustment.

* * *

WE HAVE come through the more acute phases of the depression and are now on the high road to recovery. But our basic national problems remain. Their solution demands an enlightened public opinion and wider knowledge as to their character. This, then, is the time for those whose views are worthy of attention to speak out frankly and candidly.

It is in the hope that those who are or should be leaders of Canadian opinion will so speak that The Financial Post has undertaken this survey of their views.

* * *

Economy at Ottawa

THE taxpayer will congratulate himself upon the fact that the Dominion government has again cut its estimates for the coming year's expenditures. The reduction of $12 millions in the main estimates, bringing them down to $384 millions, indicates a considerable effort at economy.

The Financial Post has more than once called attention to the fact that the ordinary routine expenditures of government have been very generously pared at Ottawa, reflecting considerable credit not only upon successive ministers of finance—Mr. Bennett, Mr. Rhodes and Mr. Dunning—but also upon deputy ministers and heads of branches. The major wastes have not been in routine departmental expenditures but in larger items such as railway deficits, public works programmes and paternalistic ventures of the type of Mr. Bennett's thoroughly ill-timed New Deal programme, which was so definitely rejected by the taxpayers at the last election.

* * *

IT IS because the wastes are in these directions that the government is to be particularly congratulated on its attitude toward the New Deal as revealed in the main esti-

(Continued on page 2, col. 3)

Ontario Tax Partly Clear Partly Dark

Income Levy Modified by Changes in Municipal Act

SOME ILLEGALITIES?

Business Tax Rebate Provided—Withhold Municipal Tax of 3½% on Corporation Revenue

Ontario's new income tax law is clarified by introduction in the legislature of complimentary amendments to the Municipal Act.

Legality of some phases of the Income Tax Act of Ontario has been questioned. One queried provision is that delegating collection of the tax to the Dominion government. Another is a section reading:

"The Lieutenant - Governor in Council may by proclamation declare that any or all of the provisions of any amendment to the Income War Tax Act (Canada) which may hereafter be enacted by the Parliament of Canada shall be applicable, mutatis mutandis, to this act and form part and have the same force and effect as if contained in this act and every such proclamation shall be laid before the assembly within 14 days, if the legislature is in session, and if it is not in session then within the first 30 days of the ensuing session."

Power Doubted

Such phases of the proposed Ontario law are said to amount to delegation of the province's right to legislate to the Dominion government. According to some legal opinion, the province cannot so delegate its powers.

In one instance, the Saskatchewan legislature passed an act by which Dominion enactments automatically became Saskatchewan law. This was found ultra vires of the Saskatchewan legislature.

One federal legal authority commented recently to The Financial Post that delegation of legislative powers of a sovereign government in this manner is like saying that what the government of, say, Finland enacts shall be the law of the province concerned.

The Ontario income law, however, can be altered before final reading to take care of any flaws of this sort.

Tax Schedules

The Ontario income tax follows the Dominion law closely with regard to exemptions. It exempts from taxable income any income tax paid to the Dominion. The provincial tax schedule is exactly half the graduated rates of the Dominion. Only Ontario does not propose to exact surtaxes or special levies on investment income.

From the collection standpoint, it is believed gathering of the Ontario income tax would be simpler for the Dominion department if the Ontario law bore a precise relationship to the federal act.

Business Tax

Of major importance to business men, the Municipal Act is being amended so as to rebate municipal business tax up to the amount of income tax paid to Ontario.

Formerly municipalities that levied both business and income taxes allowed deduction of business tax assessment from income tax assessment. Only the part of income which exceeded the business assessment was liable to municipal income tax. Now, individuals who pay the Ontario income tax will receive a rebate from the municipality of business tax by presenting a receipt for full payment of the provincial levy.

Municipal Rebates

Ontario municipalities are to be repaid by the province for rebates of business tax made to those who pay the provincial income tax. The right of municipalities to levy income tax is cancelled. As compensation, Ontario will pay the municipalities the amount of income tax they actually levied in 1935.

Special arrangements are being made to adjust the borrowing power of the city of Toronto.

Removal of income tax assessment of some $46 millions reduces Toronto's borrowing power by nearly $4 millions. So it is being provided that the city can borrow 12 per cent of the first $200 millions of assessment and 8 per cent on assessment in excess of $200 millions.

Heavy Corporation Tax In Ontario Mystery Bill

Widespread consternation spread among corporation officials in Ontario this week when news leaked out of Bill 52 which proposes a 3½ per cent tax on corporation revenue to be paid directly to municipalities in the province in addition to existing corporation and profits taxes. A few copies of the bill were apparently inadvertently released along with Bill 51 which covers the new proposed income tax for Ontario.

When Ontario officials were questioned regarding the bill by The Financial Post, it was stated that no such measure existed, any more "than there are whales in Lake Ontario." When The Post insisted that such a bill was at large, it was finally admitted the statute had been drafted but that it is unlikely to be introduced in the legislature.

Possible explanations of the mystery are that the measure is being held in reserve by the Government in case of any miscarriage of plans to reimburse municipalities for loss of income tax now being enacted, or that the measure may even be utilized if necessary as a means of settling the contentious separate school question.

Under the measure as it appeared in preliminary form, Bill 52 includes special treatment for manufacturing establishments in the province. It provides they be taxed at their chief place of business in the province and would permit them to deduct their business assessment from revenue otherwise taxable.

Canadian Hydro-Electric Sets Up Dividend Reserve

From Our Own Correspondent

MONTREAL. — Canadian Hydro-Electric Corp. has established a reserve equal to one full year's dividend on the first preferred stock, amounting to approximately $731,500, in compliance with the by-laws of the company.

It is provided in the letters patent that before the company can pay dividends on other than on the first preferred shares, there must be set aside sufficient cash to cover the dividends on these shares for a period of one year.

Last October the directors declared the usual quarterly dividend on the first preferred stock and a dividend on the second preferred shares payable on December 1. No payment was declared on the common.

Dividend is Involved

The point has been raised that the reserve must be declared in the form of dividends on the first preferred. This being the case Canadian Hydro, having paid a dividend on the second preferred on December 1 last, would have to continue paying dividends on the first preferred for a year, or until December 1, 1936.

The by-law says the company must set aside a reserve equal to one year's dividend on the senior stock before anything can be paid on the junior issues, but it is understood that the company is in no way obligated to distribute the reserve in dividends on the first preferred stock. The by-law was created in the first instance to prevent the company from paying out all its earnings in dividends on the junior securities, after the senior obligations had been provided for.

At the time the last dividend was declared on the second preferred, this reserve was in force and, while no more dividends can be paid on the second preferred or common stock without payment on the first preferred and the maintenance of the reserve, the company can use the reserve already set up for corporate purposes ranking ahead of the dividend on the first preferred stock.

Wills May Head Dominion Stores

E. Gordon Wills, of the Toronto Stock Exchange firm of Wills, Bickle & Robertson, will probably succeed Morley Smith as president of Dominion Stores Ltd., The Financial Post understands. Mr. Wills has been closely connected with the financing of the company since its early days and has been a director since 1924. He represents large shareholdings.

Morley Smith, who succeeded the late W. J. Pentland as president nearly three years ago, is retiring from the position on March 9, the day of date of the annual meeting. Mr. Smith will be nominated for re-election as a director and will continue to act for the company in the capacity of general legal counsel.

Loss of $610,341 for 1935 and balance sheet changes are reported on page 17.

Can. Canners Betters Year In 10 Months

Refinancing of Bonds Being Considered by Directors

COVER PFD. DIVIDEND

Directors of Canadian Canners Ltd. are considering refinancing of the company's bonds at reduced interest rates when the most favorable terms are available, according to a letter sent to shareholders this week.

In order to conduct negotiations for sale of new bonds, an interim statement for the 10 months to Dec. 31, 1935, was prepared. After allowing for reserves for the two unexpired months of the fiscal year, it shows earnings for the 10 months slightly higher than for the 12 months of the fiscal year ended Feb. 28, 1935.

Estimate for Year

By adding one-fifth to the earnings for the last fiscal year, an estimate of earnings for the 12 months to Feb. 29, 1936 is possible. On this basis. The Financial Post calculates profits for the year now drawing to a close should exceed $7.50 a share on the first preferred stock, compared with $4.57 a share in the preceding year. Thus the $6 dividend should be covered comfortably. On the second, convertible preferred, earnings should be above 15 cents a share.

By refinancing bonds at four per cent, the company would save about $50,000 annually in interest charges. At 4½ per cent, the saving would be some $37,500 a year.

General firmness in the market for canned foods accounts for the gain in earnings this year. Prices have been higher than in the preceding year. Substantial exports, particularly of canned tomatoes, have increased total sales. Although there has been some tendency for this export trade to diminish in recent weeks, the benefits over the year are substantial to the company.

Six Mutuals Will Receive Dom. License

Insurance Dept. Finally Recognizes New England Insurance Companies

ENDS CONTROVERSY

Six of the New England Factory Mutual Insurance companies will be granted certificates of registry in the near future by the federal department of insurance. Licenses for the remaining 17 companies may be issued later.

Granting of these licenses, a move confirmed to The Financial Post by G. D. Finlayson, federal superintendent of insurance, marks the culmination of a controversy which has been waging between the federal department and the companies for upward of 40 years.

Most of the discussion has centred about the necessity of making a deposit. It is understood that no new feature in this regard has been introduced, and that the licenses will be issued under the Insurance Act as revised in 1932.

Minor Differences

Since that revision, the certificates have been held up by minor differences which formed the subject matter of negotiations with the insurance superintendent. First difference was in respect to the scope of the fire license. This was cleared up in 1934, and it was thought likely toward the end of that year that the companies would finally be registered.

However, other matters, including the question of the companies' records in Canada, intervened, and apparently have only now been cleared up.

The companies which will be licensed shortly are: The Manufacturers, Rhode Island State, Mechanics, Enterprise and American Mutuals, all of Providence, R.I. The Manufacturers Mutual, the oldest company in the entire group, celebrated its centenary only last year. It is considered unlikely that obtaining the certificates will radically alter the scope of the mutuals' Canadian business.

The New England Factory Mutuals have operated in Canada for about 50 years, up until 1927 as unlicensed insurers. In that year they were granted certificates by the provinces of Ontario and Quebec.

The group carries insurance of some of the largest establishments in Canada on their books, and several prominent Canadians have served on the boards of directors. Financial control is divided into several units within the group—the six companies to be licensed form one of these—but in matters of operation and policy the group always acts as a unit. Risks, however, are written individually.

Business is limited entirely to sprinklered risks, most being in selected industrial and mercantile properties. The average individual insured risk amounts to about $1 million.

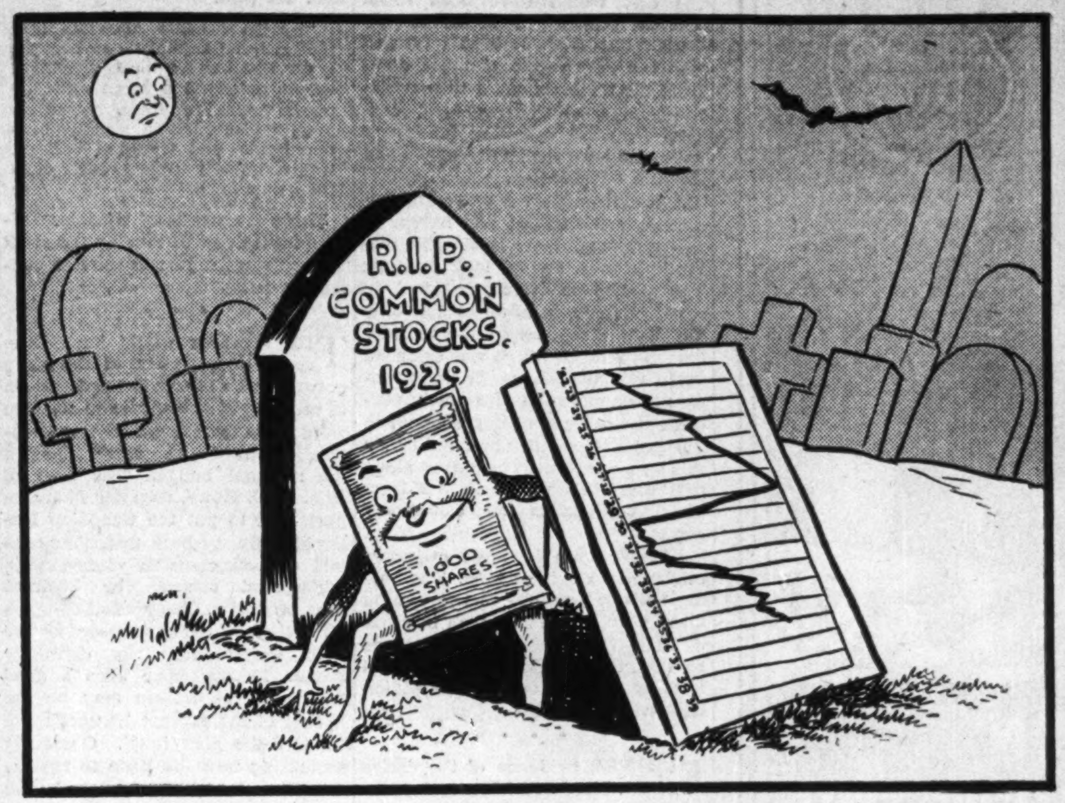
$8 Billions in Force

As at Dec. 31, 1934, the New England Mutuals reported insurance in force of well over $8 billions and total admitted assets of $52.8 millions. Of the total business some $500 millions is in Canada, almost entirely in Ontario and Quebec. Upon these Canadian risks, the companies hold premium deposits between $3 and $4 millions. Investments in Canadian securities amount to over $5 millions.

Business of the Manufacturers Mutual group at the end of 1934 totalled $2,423 millions and assets $14.9 millions

United Corporations To Show Improvement

United Corporations will release its financial statement for 1935 before the end of this month. The report will show increases in market value of investments and in earnings. In 1934 the company was able to show bond interest earned with a balance of $1,596. The margin for 1935 will be appreciably larger. The equity back of the company's securities has increased, notably for the Class B stock, which had a book value of $5.50 at the end of 1934. The new report is likely to show the B equity almost doubled.



—Drawn for The Financial Post by R. Kaell.

NOT SO DEAD AFTER ALL

Highlights

What Lies Ahead?

Canadian business leaders view prospects for the next five years and express their own conception of solutions to present problems. Page 11

A Power in Paper

Richard J. Cullen, new president of International Paper is builder, operator and administrator, but his personal background he considers his own business. Page 20

Zoning Cities

A. Frank Wickson, F.R.A.I.C., reviews vital aspects of housing plans in first of a series of articles written for The Financial Post. Page 13

Unlisted Securities

Plans on foot for creation of a central clearing house as remedy for existing weaknesses in unlisted trading methods. Page 5

Investor's Index

INDUSTRIALS AND UTILITIES

Am. Union Life	14	Gen. Steel Wares	4
Adel.-Sheppard	9	H. Smith Paper	9
Assoc. Qual. Can.	4	Huron & Erie	20
Acme Glove	8, 17	Home Invest.	16
Acadia Trust	16	Int. Paper	20
Bank of Can.	15	Indust. Accep.	17
Beauharnois	15	London Life	14
Bank of England	15	London-Can.	17
Brazilian	4	Melchers	8
Brewg. Corp.	4	Mont. Power	8
Bell 'Phone	17	McD. and C.	17
B. C. Pulp	8	Montreal Life	14
Chart. Trust	16	Mortg. of N. S.	16
Can. Ind. Alc.	5	Massey-Harris	4, 17
Can. Bud	17	Mersey Paper	4
Cosmos	2	Northern Assce.	14
Can. H. Elec.	1, 9	N. W. Mutual	14
Can. Canners	1	Nat. Sewer Pipe	4
C. N. R.	5	Northern Trust	16
Cawthra Apts.	17	Ottawa Traction	17
Cons. Oka Sand	17	Penmans	17
Can. Wirebound	4	Power Corp.	8
Can. Malting	9	Quinte Milk	17
Calgary Power	7	Quebec Tel.	3
Confed. Life	14	Robt. Gair	9
Dom. Life	14	Regent Knit.	5
Dom. Bridge	9	Rogers-Maj.	4
Dom. Enginrg.	9	Riverside Silk	17
Detroit Int.	17	Rolland Paper	17
Dom. Stores	1, 17	Robt. Simpson	17
Domestic Fin.	5	Simpsons Ltd.	4, 17
Detroit Tunnel	17	Sussex G. A.	17
Dosco	1, 8	Stand. Clay	17
Dom. Coal	20	Sovereign Life	14
Essex B. Ut.	9	Shawinigan	9
Electrolux	1, 9	Steel of Canada	13
Easy Washing	17	Twin City	17
English Electric	4	Thayer's Ltd.	4
Econom. Mutual	14	Tip Top Tailors	17
Fanny Farmer	17	Tor. Gen. Trusts	15
Frost Steel	4	Trust & Loan	15
Firstbrook Box	9	Union Gas	4
Foundation Co.	8	Un. Corpn.	1
Great-West L.	14	Wawanesa	14
Grey & Bruce	16	Woods Mfg.	20
Guarantee N. A.	14	Walkers	4
Gt. Lakes Paper	3		

MINES AND OILS

Anglo-Huron	18, 19	Imperial Oil	19
Big Master	18	Lakeland Gold	18
Base Metals	18	Man. Basin	19
Bousquet	19	Nipissing	9
Cons. Smelters	19	Norlake	18
Cariboo G. Q.	18	O'Brien	19
Can. Kirkland	18	Omega	18
Dunwell	19	Pine Grove Plac.	19
Duparquet	19	Premier	18
Eldorado	19	Phoenix Mol.	18
E. Malartic	18	Royalite	4
Falconbridge	19	Reno Gold	19
Gold Lake	18	Sladen-Mal.	18
Glenora	19	Thompson-Cad.	18
Goodfish	18	Texas-Can.	18
Gold Mountain	18	Vanson	18
Horseshoe	19	Wilport	18
Hudson-Pat.	19		

QUOTATIONS

Stocks	12	Grain	16
Bonds	12	Mines	12
Foreign Exchange	15		

REGULAR FEATURES

Bond Markets	5
Banking	15
Company Earnings	14, 16, 17
Construction	13
Dividends Declared	5
Editorial	6
Grain	16
Investors' Enquiries	9
Insurance	14
Mining	18, 19
Municipal Finances	20
Week in Business	7

Montreal Stock Values Record Healthy Increase

From Our Own Correspondent

MONTREAL. — Value of stocks and bonds traded on the Montreal Stock Exchange and the Montreal Curb Market amounted to $7,782 millions at the end of last month, the highest value on record since compilations were started July, 1934. This represents an increase of $456 millions over the previous month and an increase of $1,480 millions when compared with January 31, 1935.

Eight of the ten classifications show increases over the previous month, only government bonds on the big board and listed bonds on the Montreal Curb registering declines.

Traditional Concepts Of Thrift, Low Tariff Dominate Parliament

Time-proved Policies Guide King Government in Office — Radicalism, Inflation and Social Experiments Banned

BENNETT STILL "THE MIGHTY ATOM"

From Our Own Correspondent

OTTAWA.—In action two weeks, the new Parliament, unique among its 17 predecessors, challenges interest.

Definite trends of political ideas as well as of party structure are already discernible. Changes and chances which will make or mar party fortunes in the years immediately ahead are in operation.

Old stars, only a brief time ago astounding in their effulgence, are passing into eclipse—temporary or permanent. Others are experiencing a second dawning. New stars are attracting increasing attention.

There are five parties in the Commons; two in the Senate.

There is the Liberal party, 179 members in a Commons of 245, which has overflowed the highest mark of the past. Liberalism, under Mackenzie King, presents to Parliament a strong and able administration and, under the responsibilities of office, is adhering strictly to the time-honored principles of thrift, economy, low tariff.

There is not, among the cabinet ministers, the slightest indication of radicalism, using the word in the sense of New Deals, social changes, inflation and so on.

The New Bennett

The Conservative opposition is a small and, apart from Mr. Bennett, a rather negligible rump.

Mr. Bennett continues to be the mighty atom of politics. He has made himself the storm centre of things to date and gives every promise of continuing to do so.

There are two important differences between Mr. Bennett, the leader of the opposition, and Mr. Bennett, the prime minister. The crusade for a new order is over. Not so much as a whisper has been heard from Mr. Bennett or his supporters for continuation of the reform programme of a year ago.

Mr. Bennett, the reformer, lives on in the speeches of the more radical parties in the Commons.

This extraordinary change is important. It is commonly taken to mean that the Conservative party has seen the error of its way; fervently desires to regain its respectability among leaders of the business community.

In restrospect Mr. Bennett's New Deal is seen as an utter and unqualified disaster to the party. For the future, the least said soonest mended.

C. C. F. Tactics Fail

The C. C. F. party, having barely sustained a crushing electoral defeat, appears in the Commons with but seven members.

In debating strength and general ability, this handful of members outshines any other party. But here, too, definite trends are in evidence.

The future, undoubtedly, is going to bring great changes to the C. C. F.

The ten-year drive of J. S. Woodsworth, the leader, to unite farmers and workers in a common party committed to reform, has ended in failure. Even the most partisan of C. C. F.'s is about ready to admit that the ingredients won't mix.

Opening speeches by C. C. F.'s indicate plainly that the party has made its choice and is now well on the way to be Canada's first outright Socialist party.

Stevens—Political Outcast

To anyone looking on the new Commons it at once becomes obvious that the Liberal majority is all-powerful. There is, in fact, no real opposition—only sixty members odd divided into various parties and torn, as between themselves, by hopeless differences of opinion.

There is, in fact, a fifth party—Reconstruction. But Hon. Harry Stevens, much as he filled the public eye a year ago, and great as was the impact of his ideas and personality on the public—Mr. Stevens is definitely passing into eclipse.

His can scarcely be other than a voice in the wilderness, a negligible factor in politics.

If he were not completely beyond the pale of Conservatism, he might

(Continued on page 2 col. 5)

January Data Not Uniform

January business figures released this week show considerable unevenness but the final result shows a slight improvement over the previous month on the basis of preliminary figures used in The Financial Post index of general business (page 7).

		—Change— From prev. period %	From prev. year %
Monthly:	Jan.		
Sugar* (lb.):			
Melt. & ship.	21,055,285	+23	+22
Manufactured	24,044,674	—19	—19
Newsprint prod., tons	227,955	—6	+12
Building permits	$1,283,716	—46	+45
Imports	$40,590,276	+5	+9
Exports	$54,417,324	—20	+22
Plank & board exp., ft.	72,236	—45	—3
Crude pete. imp., gal.	61,131,249	+9	+2
Cotton, raw, imp., lb.	19,939,607	—10	+80
Crude rubber, imp., lb.	3,938,272	—31	—34
Weekly:			
Car loadings, No.	41,567	+5	—7
Cattle sales, No.	13,892	—4	+17
Hog sales, No.	16,679	—9	+24

*Four weeks to Jan. 25.

Big Textile Enquiry Is Ready to Start

From Our Own Correspondent

MONTREAL.—Progress is being made with the setting up of an organization to investigate the textile industry under the terms of the Royal Commission recently established by the Federal Government.

Mr. Justice W. F. A. Turgeon, of the Saskatchewan Appeal Court, was created a one-man commission to investigate the industry following the temporary closing of the Dominion Textile rayon plant at Sherbrooke early in January. J. C. McRuer, of Toronto, and Elie Beauregard, Montreal, have been named counsel for the commission.

Diocese of London Refinancing Bonds

The Roman Catholic Episcopal Corporation of the Diocese of London has called its five per cent first mortgage bonds for redemption on April 15, 1936. The call price is 103 and accrued interest.

Issued in 1934 for an amount of $1.5 millions, the bonds mature in 1954. Of the total issue of $1.5 millions, $1,250,000 was underwritten by A. E. Ames & Co. and $250,000 taken up by St. Peters Seminary of London.

The five per cent issue is to be replaced by a refunding issue at a lower rate of interest. It is understood that A. E. Ames & Co. and Midland Securities have underwritten the new issue.

Electrolux to Pay Bonus Of 10c on Capital Stock

From Our Own Correspondent

MONTREAL—Directors of Electrolux Corporation have declared a dividend of 40 cents and a special dividend of 10 cents per share, payable March 16, to shareholders of record February 27.

Dosco's Sales Hold Promise For This Year

Directors Meet This Week to Decide on Interest Payment

SIR NEWTON SUMS UP

Large Coal Movement is Expected — Export Trade Helps — Domestic Steel Orders Still Small

From Our Own Correspondent

MONTREAL.—No large order for steel rails has been received by Dominion Steel and Coal Corp., nor are any in immediate prospect, despite rumors to that effect. However the position of the company since the beginning of the year continues along promising lines and the outlook is reported as "more encouraging."

Operations at the Sydney steel plant have been maintained, largely due to orders from South Africa for steel rails. This business is highly competitive and makes little money for the company, but it is of value in keeping down costs.

Domestic steel business, aside from rails, has been on the upgrade and prospects are that a larger volume of this business will be handled in 1936 than was the case in 1935.

Coal Outlook Good

Coal operations, largely handled through Dominion Coal Co., were off during the past year owing to the smaller demand from the railways. Since the beginning of this year orders have been mounting and indications are that sales for the current twelve months will be on a larger scale.

Stocks of coal, both at St. Lawrence ports and in Cape Breton are low, so that mine operations should show considerable expansion to take care of anticipated demands, as well as to fill orders on hand.

Directors of Dosco are meeting this week to consider the returns for last year. It is expected that when the report makes its appearance, in March, it will show somewhat smaller earnings than in 1934, due more to the drop in coal operations than to steel operations.

Decision on Interest

No further action has been taken in respect to paying interest on the income debentures.

It is likely that the directors will reach a decision at the meeting this week as to the payment for the last half of 1935.

Sir Newton on Outlook

From Our Own Correspondent

SYDNEY.—Though not "unduly" optimistic, Sir Newton Moore, president of Dosco, stated in an exclusive interview here, that an improvement in coal production in the various collieries of the corporation is anticipated during the present year, while the outlook for the steel division is encouraging.

Output of coal in 1935 totalled 3,249,457 tons, which hardly came up to the anticipated production. Improvement is based on the continued assistance of subventions which provide for freight assistance in the transportation of Nova Scotia coal to central Canadian markets, Sir Newton said.

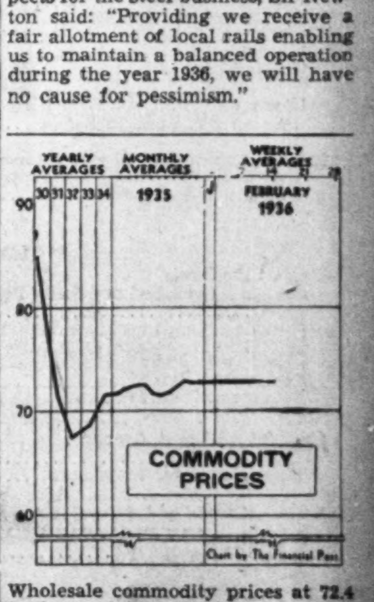
Bunker trade in 1935 showed an increase of 38,000 tons; 530 steamers taking 162,000 tons in comparison with 409 steamers taking 124,000 tons in 1934.

Larger Steel Output

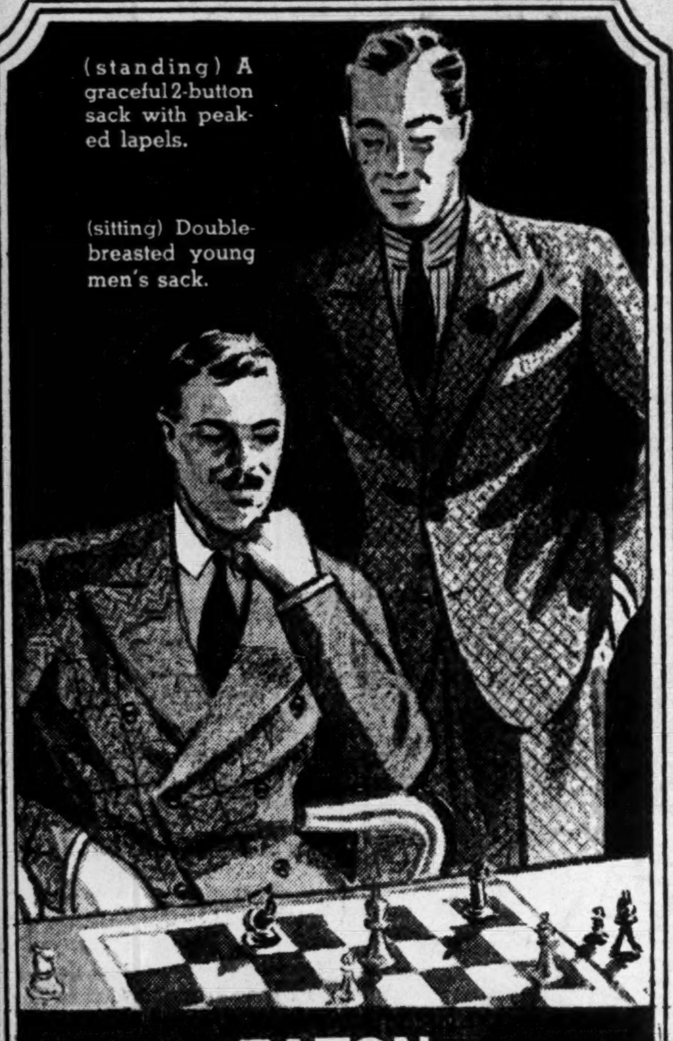
Speaking of the Sydney steel industry, Sir Newton pointed out that steel ingot production in 1935 was 289,000 tons as against a turnover of 171,000 tons in 1931 and an export business of 10,000 tons. "Some 73,000 tons of semi-finished and finished steel products went to the United Kingdom in 1935, taking the place of tonnage which in the past had been imported from European countries. Providing we can reduce our costs during the present year I think I can promise an equivalent tonnage," he said.

Regarding the steel demand, Sir Newton said that the corporation has been able to operate the Sydney steel mills more completely than since 1929, and to employ up to 3,200 men, which he declared is almost 1,000 more than in May, 1935.

Discussing the immediate prospects for the steel business, Sir Newton said: "Providing we receive a fair allotment of local rails enabling us to maintain a balanced operation during the year 1936, we will have no cause for pessimism."



Wholesale commodity prices at 72.4 in the week ended Feb. 14 were unchanged from the previous week, according to the index compiled by the Dominion Bureau of Statistics.


(standing) A graceful 2-button sack with peaked lapels.
(sitting) Double-breasted young men's sack.

EATON

TAILORED-to-MEASURE SUITS

have individual character

By that we mean that your clothes are tailored for you—and you alone. They are cut by hand to your own measurements—from a cloth you choose to a style you fancy. They are YOUR clothes—in cut, in fit, in style.

The new All-Wool and fancy checks Spring suitings—as handsome a lot as we've seen in many a day—are ready for your inspection. The T. Eaton Co., Second Floor, James Street.

$22.50 SUIT

Also at $27.50 and $35.00

BUDGET PLAN TERMS IF DESIRED

THE T. EATON C° LIMITED CANADA

CHARTERED TRUST and EXECUTOR COMPANY

PROFIT AND LOSS ACCOUNT

For the Year Ended December 31, 1935

Balance forward from 1934	$74,870.91	
Net Profit for year after deducting cost of Management, Auditors' fees and all other expenses including Provincial and Municipal Taxes and Depreciation of Furniture and Fixtures	88,109.05	
		$162,979.96
Appropriated as Follows:		
Amount paid on account of Goodwill and Interest of Business acquired by Montreal Branch	$ 8,080.53	
Reserved for Dominion Taxes	6,000.00	
Depreciation of Building and Vaults	3,778.95	
Investment Reserves	20,000.00	
Dividend No. 68, payable January 2, 1936	10,000.00	
		47,859.48
Carried forward		$115,120.48

BALANCE SHEET, December 31, 1935

ASSETS

Capital Account:			
Office Premises		$ 296,273.86	
Safety Deposit Vaults		29,361.47	
Real Estate held for Sale		60,323.68	
Mortgages		122,313.83	
Interest Due and Accrued		5,057.34	
Loans on Collateral Securities		187,846.63	
Bonds and Debentures—			
Dominion of Canada and Province of Ontario	$ 49,995.73		
Canadian Municipalities and School Districts	144,490.93		
Corporations	135,874.43		
		330,361.09	
Stocks		52,967.28	
Cash on Hand and in Banks		51,466.36	
Advances to Trusts, Estates and Agencies		136,260.54	
Accounts Receivable and Deferred Commissions		23,125.42	
Office Furniture and Fittings at Toronto and Montreal		20,573.30	
Other Assets		7,870.49	
			$1,323,801.29
Guaranteed Trust Account:			
Mortgages		$801,641.78	
Interest Due and Accrued		16,248.44	
Bonds and Debentures—			
Dominion of Canada and Province of Ontario	$532,319.38		
Other Provinces and British Dominions	78,625.78		
Canadian Municipalities and School Districts	1,015,821.56		
Miscellaneous	15,990.63		
Corporations	81,891.40		
		1,724,648.75	
Loans on Collateral Securities		1,187,497.94	
Cash on Hand and in Banks		298,484.72	
			4,028,521.63
Estates, Trusts and Agencies Account:			
Cash Securities and Other Properties held for Estates Trusts and Agencies			19,889,192.98
			$25,241,515.90

LIABILITIES

Capital Account:		
Capital Subscribed and Fully Paid	$1,000,000.00	
Rest	100,000.00	
Dividend No. 68, payable January 2, 1936	10,000.00	
Mortgage Payable on Office Premises	68,000.00	
Accounts Payable and Accrued Items	20,647.94	
Reserve for Dominion Taxes	10,032.87	
Balance at Credit of Profit and Loss	115,120.48	
		$ 1,323,801.29
Guaranteed Trust Account:		
Trust Deposits	$2,563,887.39	
Trust Funds for Investment	1,464,634.24	
		$ 4,028,521.63
Estates, Trusts and Agencies Account:		
Estates, Trusts and Agencies Under Administration by the Company		19,889,192.98
		$25,241,515.90

JAMES Y. MURDOCH, President.

JOHN J. GIBSON, General Manager.

The Nation's Business

(Continued from page 1)

mates now before the House of Commons. The initial cost of the series of "reform" acts passed in 1935 would have been nearly $7,000,000 and this sum of money the present ministry has saved. Had some of these measures developed beyond the incubation stage—notably the unemployment insurance scheme—the cost would have been much greater, possibly in excess of $20,000,000 this year. It is to be hoped that the elimination of these items from the main estimates means that the government has decided, definitely, against spending taxpayers' dollars in a confusion of Reform and Recovery legislation.

A useful purpose is served in emphasizing the extent and nature of this economy. New Deals, like distant pastures, always look inviting. The public is never disposed to count the cost in advance and only too often discovers on the morrow that the scheme which was designed to banish depression is quite unable to do more than further impoverish the self-supporting element in the population. It must either do this or the cost must be passed along to the general public in the form of higher prices on consumers' goods.

Another item in these estimates might be cited, in passing. The vote for old age pensions in the coming fiscal year is $17,500,000, an increase of $1,100,000 over 1935-36. It may be recalled that as late as 1915, the total interest charge on the Dominion debt was $15,736,000.

* * *

FURTHER evidence of the desire of Mr. King and his associates to achieve some reduction in tax costs is to be found in the cabinet's attitude on public works and housing. Millions have been cut from the pre-election programme for public works. This week Hon. Norman McL. Rogers stated that the government, while it wished it could advocate a housing and public works programme to employ all those physically fit, did not consider that any such programme could be justified. He said:

> "I wish I could advocate that policy, but I cannot do so because I do not believe that providing employment on a large scale by public works is anything more than a palliative for the present economic ills, and would, I believe, lead ultimately to far greater evils than now exist."

These are words of wisdom. Private initiative will take up the slack in employment just as soon as confidence rules.

* * *

THE taxpayer would have little cause to complain of the King government's efforts in the direction of economy if as realistic an attitude were taken toward the railway problem as toward other costly items in the national budget. The plan of Hon. C. D. Howe, minister of transportation, to put the Canadian National Railways back under the control of politicians is viewed with widespread concern by business men generally. The plan of co-operative competition as proposed by the Duff Commission has definitely failed. It may have been a good plan and the failure may be the failure of the present trustees more than of the plan itself. Obviously something must be done to replace the present system of control with another one but a return to the political control of the Thornton regime is dangerous.

Digest of Parliaments

Ottawa

Feb. 6. — Commons — Hon. Pierre Casgrain, member Charlevoix-Saguenay, elected speaker. Speech from Throne read. Mr. Mackenzie King moved resolution of sympathy and loyalty to King Edward VIII.

Senate — Eighteen new senators introduced. Senator W. E. Foster appointed speaker. Speech from the Throne read.

Feb. 7.—Commons—Resolution to King Edward VIII occasion for tributes to the late King. Resolution approved.

Senate — Addresses of sympathy to King Edward VIII and Queen Mary approved.

Feb. 10.—Commons — Debate on Address continued. Mr. Bennett made charges against new wheat board.

Feb. 11.—Commons — Main estimates calling for expenditures of $384,000,000 tabled. Debate on Address continued. J. S. Woodsworth, C. C. F. leader, moved amendment regretting that no policy proposed which will make natural wealth of country available to the people.

Senate — Debate on Address continued.

Feb. 12. — Commons — Hon. Fernand Rinfret, secretary of state, introduced amendment to the Election act postponing for one year the annual revision of the voters' lists. Debate on Address continued. Hon. W. D. Euler, minister of trade and commerce, offered committee of inquiry on the operations of the wheat board. Mr. Bennett accepted.

Senate — Address adopted.

Feb. 13. — Commons — Hon. Ernest Lapointe announced that the personnel of the Penitentiaries Inquiry commission will be completed in a few days. Debate on Address concluded. Woodsworth amendment defeated 208-8 and main motion carried "on division." F. G. Sanderson, M.P., Perth, elected deputy speaker. Committees on supply and ways and means set up.

Senate — Senate adjourned until March 3.

Feb. 14. — Commons — Public works estimates considered in supply and items covering buildings in all provinces, to cost $1,738,400 approved.

* * *

Ontario

Feb. 11: Legislature sessions open with resolution of condolence to King Edward VIII on the death of his father. Gave first reading to new Income Tax legislation.

Feb. 12: Received petitions for bills concerning Meaford land tax sales, building standards in Toronto, tax exemptions of new dwellings in York Township, barber trade restrictions, professional engineering restrictions, and other matters.

The debate continued on the income tax bill, and was still in progress on **Feb. 18.**

* * *

Saskatchewan

Feb. 6: Legislature opened. Revision of seed grain laws, gas franchise amendments, and amendment to check cattle rustling forecast.

Feb. 7: Bill introduced to remove necessity for re-election to legislature, within six months, by members accepting cabinet portfolios.

Notice of bill to delay issue of certificates of title for tax sale purchases introduced. More than 20 other bills introduced, most of which covered minor amendments but do not alter policy or principles embodied in existing acts. They affect The Bulk Sales Act, The Companies Act, The Constitutional Questions Act, The Coroners' Act, The Distress Act, The Landlord and Tenant Act, The Limitation of Actions Act, The Succession Duties Act, The Surrogate Courts Act, The Trustee Act, The Oil and Gas Wells Act, The Mines Regulation Act, 1934, The Irrigation Districts Act, The Coal Mines Safety and Welfare Act, and The Water Rights Act, 1931.

Feb. 10: Debate opens in reply to Speech from the Throne.

Debate continues.

* * *

Alberta

Feb. 6: Alberta Legislature opens with Speech from the Throne.

Feb. 7: Eighteen bills were introduced and received first reading in the first business session of the Social Credit government of Alberta. Bills dealt with the following:

Oaths enforcement, labor disputes, special municipal areas, agricultural societies act, drilling for water, solemnization of marriage, alimony orders enforcement, insurance act, amendment to tax recovery act, brands act amendment, municipal hospital act.

Bill of sale act, amendments tax arrears of 1933, 1934, and 1935, mental diseases act, amendment to the bill interpretation act, improvement districts (1927) and towns and villages act (1928), seizures act amendment, taxation of interests, electric power taxation and domestic animals act.

Leader of Opposition W. R. Howson calls on government to implement its promise of a $25 monthly dividend at once, or resign.

Debate continues.

COSMOS IMPERIAL COMMON DIVIDEND TO BE INCREASED

Cosmos Imperial Mills is making an offer of $500,000 of five per cent cumulative redeemable sinking fund preference shares of $100 par value and 30,000 new common shares of no par value. Proceeds of the issue are to be used to redeem $1.3 millions of seven per cent preferred stock.

No public offering of the new preference and common shares is being made at this time. Holders in Canada of the present seven per cent preference stock are being offered the privilege of purchasing five of the new preference shares in respect of each 12½ old preference shares held on Feb. 18. Holders of common shares have the right to subscribe for three new common shares, in respect of each seven common shares held, at $17 a share. The offering to shareholders is open to March 2, 1936.

It is understood that A. E. Ames & Co. has underwritten both the new preference and new common shares. The portion of the offering that is not taken up by shareholders will be offered to the public.

At the meeting of shareholders held Feb. 14, Walter S. Burrill, president, announced that it is the intention of the company to increase the quarterly dividend rate on the common stock from 17½ cents to 20 cents a share on May 15 next.

Who Is to Get Control Of Social Credit Paper Remains Big Mystery

Investors' Cash to Pay George M. Bell Firm for Calgary Albertan — Control Stays With Bell Firm Until Stock Sold

Some of the puzzling aspects of the financing of Albertan Publishers Ltd., Calgary social newspaper venture, are clarified in the official prospectus recently obtained by The Financial Post.

O. C. Arnott & Co., Calgary investment firm, which is acting as fiscal agent for Albertan Publishers Ltd. in offering shares, gives supplementary information in a letter to The post.

Among the revelations are these:

The public is being asked to put up the money, $700,000 for 28,000 preferred shares of $25 each.

Purpose of Financing

Purpose of the financing is:

To buy the "Social Credit Chronicle" from C. K. Underwood, Frank Honningworth, et al, for $12,000; made up of $6,000 in preferred stock, $6,000 in cash.

To buy the publishing business of Albertan Publishing Co. Ltd., owning the "Calgary Albertan," its radio broadcasting system and assets, for $600,000 and 75,000 common shares in Albertan Publishers Ltd.

Another $35,000 would be required to pay commissions of five per cent on sale of stock.

If and when enough stock is sold, Albertan Publishers Ltd. will provide money for preliminary expenses and working capital. Since $647,000 of the full amount of $700,000 would be required to pay for purchases and commissions, at most there would be $53,000 available for other purposes.

Who Are Sellers?

The $600,000 it is proposed to pay to Albertan Publishing Co. for its business would benefit, in part, George M. Bell, Calgary publisher, who is president, managing director and a shareholder in the newspaper firm which is selling out.

The Albertan Publishing Co. Ltd. also gets the entire 75,000 common shares of Albertan Publishers Ltd. However, the prospectus provides:

"Of the 75,000 common shares issued to the said Albertan Publishing Co. Limited, it shall for the purpose of providing a bonus for the purchasers of preference shares of the company (Albertan Publishers Ltd.) transfer to such persons as the company may designate an amount not exceeding 28,000 of such the said shares."

Actually only 14,000 common shares have been publicly advertised as a bonus with the offering of 28,000 perferred shares.

Is it possible under the terms of the prospectus for the other 14,000 common shares to be retained by someone as other than a bonus with purchase of preferred shares? If not, then it appears that a net amount of 61,000 shares is to be retained by Albertan Publishing Co. Ltd.

Question of Control

These 61,000 shares carry voting control. They are to be held by the George M. Bell newspaper firm until the $600,000 is fully paid.

If and when the $600,000 is raised, and paid, the Bell firm is to transfer and assign, to such person or persons as the new company may designate, the balance of the common shares held.

All this means that control of the Albertan venture is held by the George M. Bell firm, Albertan Publishing Co., until the $600,000 is paid. Then control is to be assigned to nominees of the new company.

What payment, if any, will the designated new holders be required to make for the shares? Will the Aberhart Social Credit government name the eventual controlling shareholders?

Alternative to Sale

Suppose there is not sufficient stock sold to pay the $600,000 to the George M. Bell selling interests? What then?

On this point, O. C. Arnott states to The Financial Post:

"In the event that the new company (Albertan Publishers Ltd.) fail to raise sufficient funds within 15 months to pay the full purchase price, the old company (Albertan Publishing Co.) agrees to take stock in the new company for the balance owing."

The significance is that if the sale of stock peters out, George M. Bell and Albertan Publishing Co. receive cash raised from what stock has been sold, get shares or the balance of the purchase price, and retain control of the newspaper venture.

On the other hand, if the sale of stock is completed, the Bell interests get $600,000. And unnamed persons, to be nominated by the new company get control.

Avoid "Subversion"

O. C. Arnott makes a revelation on the question of control, as part of his comment on The Financial Post's recent analysis of the share offerings, as follows:

"It is rather interesting to note the criticism in your article on the fact that the set-up makes it impossible for some subversive influence to ever get control of this newspaper."

Mr. Arnott appears to refer to The Financial Post's revelation that control of the venture will not go to investors who buy preferred shares.

Non-Subversive Influence

The indirect suggestion in Mr. Arnott's remarks appears to be that some "non-subversive" influence will control the "Calgary Albertan." Directors of Albertan Publishers Ltd are stated to be: George M. Bell, publisher; O. Claire Arnott, investment broker; Charles Read Pearce; salesman; all of Calgary and all holding two common shares each for which $1 a share was paid.

The "non-subversion" of the newspaper may be indicated by its self-description:

THE ALBERTAN
A WESTERN OWNED
NEWSPAPER
SUPPORTING SOCIAL CREDIT
PRINCIPLES

Investment Questions

Information given in the statutory prospectus is no more illuminating than the original advertisement of the offering of preferred shares with regard to earnings. There is no indication of what profits, if any, will be available to pay $35,000 annually in dividends on the 28,000 preferred shares offered to investors.

The Financial Post has not discovered any valuation basis for the price of $600,000 investors are asked to pay for the Albertan undertaking.

The Alberta Registrar of Companies has no statement of assets and liabilities for Albertan Publishing Co. Limited, the Bell concern, because it is a private company. The company's capital, however, was $250,000 at the time of formation in 1927, jumped to $500,000 in 1928 and to $1,000,000 in 1929; just like the stock market. In 1930 this capital stock was reduced to $500,000; coming down—also like the stock market.

Proposed Millinery Code Signed Despite Objections

Objection by leaders of the industry and complaint against secretive methods being employed in the negotiations at Queens Park for a new twelve months code covering the millinery industry of Ontario, beginning March 1, has developed during the last week.

Objection is registered by employers who claim that restriction of work to a forty-hour week, with no work permitted Saturday, is impracticable because of the highly seasonal character of the millinery business.

"When the season is on, employees should be given a chance to earn as much as they can, and employers should be enabled to produce merchandise," says Charles Lipton, millinery company executive.

The schedule of wages and hours under the Industrial Standards Act adopted by representatives of the millinery industry last July expires this month.

An adjourned conference of representatives of the millinery industry convened in Toronto this week, and after protracted discussion at morning and afternoon sessions the representatives of the trade union present and of employers of union workers signed a proposed schedule.

The open shop employers representing twenty-one firms objected to the code and requested that the millinery industry be not continued under the Industrial Standards Act.

TRADITIONAL CONCEPTS OF THRIFT, LOW TARIFF DOMINATE PARLIAMENT

(Continued from page 1)

yet repent his past sins and rejoin the party.

But Mr. Stevens committed what, in politics, amounted to a capital crime. The penalty—political death—can only be avoided by unexpected changes in the headship of the Conservative party.

If this exhausted the Parliamentary scene, the next four or five years could scarcely challenge interest.

There is, however, the Senate and here the position of mastery which obtains in the Commons is reversed. Rt. Hon. Arthur Meighen leads a very strong Conservative majority in the Red Chamber and death can do little to undermine his sway in the life of this Parliament.

Mr. Meighen is in fact the only real check on the King Government, the only court of appeal from decisions of the ministry.

Rift Widens

The Conservative Senate was never a party to the Bennett reform programme and it dealt gingerly with New Deal legislation.

There was an event in 1935 which assumes special significance today. Last year the Conservative senators, out of sympathy with the policies of the government, ceased to attend the Conservative caucus. Later on they were not invited to these palavers.

The Opposition party held a two-day caucus last week and the Conservative senators were conspicuously absent. All direct contact between the two wings of the party has ceased. There are, today, two Conservative leaders in Parliament—one in the Commons, the other in the Senate.

The Conservative senators have formed their own caucus and marked out their own plan of campaign. Mr. Meighen has pledged himself to co-operation with the government, subject to important qualifications.

The Upper Chamber is no longer going to be the chore boy of the ministry, killing bills which the government does not desire to have enacted but which it feels impelled, for political reasons, to introduce.

This will apply to the repeal of section 98 of the Criminal Code as well as to other hardy perennials.

Holds Whip Hand

As time goes on and the government's mandate from the country becomes less clear, the Conservative Senate may be expected to interfere more and more freely with legislation.

The ultimate end will scarcely be other than war.

The government's appeal against the Senate can only be to the electorate and such an appeal would obviously give to Mr. Meighen the ideal chance to return to active politics—if he so desires.

Meighen—The Leader

To this view of future trends on Parliament Hill there are one or two important qualifications. If Mr. Meighen desires to resume the leadership of the party, there are many factors in his favor. He is in a position to exercise actual power. In this respect he stands second only to the government.

Mr. Bennett's position, in contrast, is exceedingly weak.

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EFFICIENT BANKING SERVICE
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of successful banking operation.

Head Office: Montreal

TOTAL ASSETS
IN EXCESS OF
$750,000,000

BANK OF MONTREAL
Established 1817

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FULLY EQUIPPED
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DELIVERED AT FACTORY
Freight Only to be Added

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Plug Spending Loopholes And Shave Expenditures Ottawa Estimates Reveal

Control of Government Overhead Inaugurated by Bennett Continued by Dunning—Pruned Estimates for New Deal Indicate Little Sympathy

CONTINGENCY BILLS BARRED

From Our Own Correspondent

OTTAWA.—Apart from the main features of the estimates tabled in the House of Commons last week by Hon. Charles A. Dunning, close study of the numerous items comprising the total ordinary expenditure for the coming year reveals important trends of policy.

Mr. Dunning has asked Parliament for $384,427,584.64 which is $12,081,993.400 less than was sought by the preceding government last year. The cut is substantially greater than this comparison indicates because of the fact that debt carrying charges are up $3,195,961.52 and several millions more are being sought for specific services which are deemed necessary.

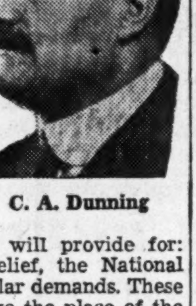
They disclose a continuation of its logical conclusion of one of Rt. Hon. R. B. Bennett's outstanding reforms—iron-clad control of ordinary governmental spending. Mr. Bennett put on the "lid" and screwed it down a good deal farther than was ever before attempted. Mr. Dunning has screwed it down to the bottom and has affixed clamps to hold it there.

The new government has taken the substantial political risk of assailing subsidies and hand-outs with a battle axe. So much so, that it remains to be seen if the government can make these economies stick.

Great War pensions have fallen for the first time. The drop is not very great, from $42 millions to $41,650,000. This saving, unexpected and welcome though it is, fades away before an increase of $650,000 in "allowances" to veterans.

Clarify Estimates

In bringing down the main estimates, Mr. Dunning has made an important decision. He has bulked together all the ordinary costs of government, and these, in estimate form, are now before the Commons.



C. A. Dunning

Later on he will bring down a second appropriation bill to contain all the "special" expenditures. This second bill will provide for: unemployment relief, the National Railway and similar demands. These two bills will take the place of the half dozen measures usually put through Parliament. The result will enable the public to obtain, easily, a grasp of the fundamentals of Dominion finance. Unemployment relief, instead of being made a blanket charge on the treasury, will be "estimated" and it will be impossible for the administration to spend more than is sought, beyond the usual percentage increase permitted by a governor-general's warrant.

Fate of New Deal

The economies in the estimates reveal in a striking way what the 1935 New Deal would have cost the taxpayers. They also show, plainly, what the new administration proposes to do with these statutes. The votes for the New Deal are either cut to the bone or eliminated regardless of what the Supreme Court may decide with respect to their validity.

The savings, through the practical elimination of the New Deal, approximate $7 millions. Of this total nearly $2 millions represents the cut in the vote for unemployment insurance. This vote was to cover administrative expenditures. The Dominion contribution to the insurance fund would have been additional, so that the total saving can be placed, conservatively, at $23 millions.

Marketing Act

The government has cut the Marketing Act from $1.5 millions to $106,000—being the cost of the head office staff.

The Tariff Commission vote is cut by $140,000, representing the cost of the Trade and Industry Commission. Plainly, the old Combines Act will not be dropped but will either be returned to the Labor department or placed under a separate commission. In either event, the cost will not approach this total. At least $80,000 of this cut may be regarded as clear saving.

Election Costs

The involved and costly election machinery established by the 1935 New Deal has been scrapped, with a saving of $2,859,101. A surprisingly large part of this total is a clear gain to the treasury. Ordinarily, it might have been thought that the holding of the election was responsible for most of the outlay. But the 1935 statutes compelled a complete revision of voters' lists every year and the continuous employment of a very large staff.

Creditors Act

The cut in the vote for the Farmers' Creditors Arrangement Act is from $750,000 to $350,000. This will put a severe crimp into the functioning of this statute.

For other items of the 1935 New Deal, not put into operation by the former government, there is no appropriation at all. The attitude of the government is thumbs down. This applies to the weights and measures provision which was to be enforced by a Dominion inspection staff and other regulatory enactments affecting wages and hours of labor.

Minor Cuts

Mr. Dunning has cut subsidies to cold-storage warehouses from $193,696.34 to $39,506.39. He has cut grants to fairs and assistance to the livestock industry from $1,695,062 to $1,490,700. These are reductions which, from the political standpoint, will definitely injure the government. It remains to be seen if the ministry will stand to its guns.

The mail subsidy between Canada and the United Kingdom has been cut in half, with a saving of $250,000. The subsidy from Vancouver to China and Japan has been cut $149,000.

Pay Bills on Time

So far as budgetary control of government expenditures goes, the ultimate goal has been reached. When Mr. Bennett took over the Finance Department he found that every branch of government was accustomed to accumulate stacks of unpaid bills, generally to ignore the spending limit fixed by Parliament. Bills would be allowed to accumulate for a decade or so, when a lump vote of perhaps a million dollars would be necessary to square the ledger.

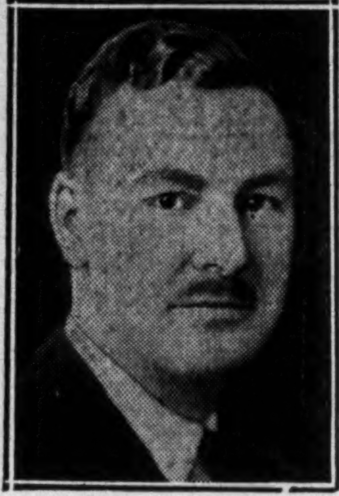
Mr. Bennett put a stop to this practice. Unpaid accounts were outlawed. Expenditures had to be deducted from the vote approved by Parliament before they could be incurred.

But departmental ingenuity quickly discovered means of thwarting this control. Numerous items labelled "contingencies" began to thrive in the estimates. Departments would incur expenditures here and there and exhaust their votes before the close of the fiscal year. Then they would confront the government with the indisputable fact that their staff had to be paid and recourse would be made to warrants.

Mr. Dunning has now put the finishing touches to this form of control. Departmental heads have been compelled to estimate, with exactness and finality, the amount of money required.

Finally the "encumbered" system has been adopted. If salaries are to be paid out of a vote, the total of these salaries constitutes an "encumbrance" against the item. Only what is left over may be spent in other ways.

Montreal Manager



R. E. HALDENBY

Who has been appointed manager of the Montreal office of Dominion Securities Corp.

B. C. Gets Loan Of $4.3 Millions Without Strings

From Our Own Correspondent

OTTAWA.—Last week's federal loan of $4.3 millions to the British Columbia government is on all fours with the loan in mid-January to the Aberhart government of Alberta.

Rather than see a provincial government default on the eve of the formation of a Dominion loan council, Hon. C. A. Dunning provided B. C. with sufficient funds to meet its gold bond maturity of $5 millions on Feb. 15. The province was able to provide only $700,000 from its own resources.

The maturing issue bore interest at 4¼ per cent. The loan from the Dominion is on one year treasury bills bearing interest at 4 per cent.

In providing this money, Mr. Dunning did not ask the province to pledge itself to come under the proposed council. As with the Alberta loan, no strings were attached.

Move Is Made To Pare Cost Of Elections

Complete Overhaul of Voting Machinery Envisaged at Ottawa

$2 MILLIONS SAVED

From Our Own Correspondent

OTTAWA. — Complete overhaul of electoral machinery, which cost taxpayers approximately $4 millions to operate last year, has been decided upon by the government. The chief purpose is economy but it is also believed that greater efficiency may also be obtained.

The final form of the election legislation may not be plain for a year or two, but several suggestions of far-reaching importance have been made, and savings of more than $2 millions are assured for 1936.

Estimates Cut

The main estimates tabled in the Commons last week showed a cut of $2,275,000 in the votes under the twin election statutes—the Franchise and the Election Acts. Some of this saving is attributable to the fact that no election is looked for this year, but the major part is a direct economy and an abandonment of the 1935 statutes.

A government bill has already been introduced in the Commons, suspending for this year the annual revision of the voters' lists. This alone effects a saving of $2,000,000.

The government has retained Harry Butcher, former M.P. for Last Mountain, Sask., to study the election laws with a view to a complete revision during the life of this parliament.

Compulsory Voting

Meantime, important recommendations already have been placed before the government. Rt. Hon. R. B. Bennett has pointed out that there were 5,917,387 names on the voters' lists and that only 4,392,227 ballots were cast. The Liberal poll was 2,061,000 or only 35 per cent of the total electorate. Obviously this is an undesirable state of things and he has suggested that this country might well emulate Australia where a compulsory voting system is in operation. He pointed out that this system brought the Australian poll up to 95 per cent of the total. The penalty for failing to vote is a fine. Mr. Bennett also suggested that steps be taken to reduce candidates' election expenses.

J. S. Woodsworth, C.C.F. leader, is urging the adoption of proportional representation, and undoubtedly this reform will be considered seriously.

Jules Castonguay, chief electoral officer, has recommended several changes which are regarded as certain of adoption. He believes poll deputies should be instructed to notify their returning officers of the result of the vote in their poll, thus assuring more rapid and reliable information on the results of an election.

He also recommends that the absentee voting system adopted last year be dropped. This, last year, it would seem, caused a record expenditure per vote—$65 for each ballot.

The government is unlikely, it is learned, to attempt the revision of the statutes this session.

Resume Work on Airways King Government Decides

From Our Own Correspondent

OTTAWA.—The King government is definitely committed to the completion of the transcontinental airway and the launching of an airmail service.

The main estimates tabled in the Commons contain a vote of $511,436 for this purpose. The item is only a forerunner of additional moneys—at least $1.5 millions—which will be required in the next three years. This year's vote, it is learned, will be used to complete landing fields on the route from Winnipeg to Vancouver. Practically all of it will be spent in British Columbia.

This is the first time money has been appropriated for this purpose since the western airmail service was abandoned in 1931. The plan is to complete the airways and have the mail service in operation in time to tie in with the transatlantic airmail service to be put on by Imperial Airways Ltd., in 1938.

Alberta's Telephone System Not For Sale, Says Aberhart

From Our Own Correspondent

EDMONTON.—Alberta's provincial telephone system is not on the bargain counter and the Social Credit government now in power has no intention of selling it to any eastern financial interests, according to a statement by Premier Aberhart.

It is learned from authoritative sources, however, that at least three financial groups in the east have cast their eyes on the Alberta system, value of which is estimated at $15 millions.

Bell Asks First Chance

It is known, however, and admitted by officials of the department, that the Bell Telephone Company of Canada has requested to be given an opportunity to bid for it should the provincial telephone system be placed on the market, and also the American Telephone and Telegraph Company has evinced an interest in it.

It was estimated during the session of the last provincial legislature that there had been a loss of not less than $10 millions on the province's telephones since they were first established. This was due largely to losses on the rural lines. It was this which decided the former U.F.A. government to adopt a policy of disposing of sections of the rural system to mutual companies.

Sale of the provincial system would not affect the Edmonton city telephones as this system is owned by the municipality. The Calgary city system, however, is part of the provincial telephone system.

Quebec Telephone Co. Will Sell Megantic Co.

Special shareholders' meeting of Quebec Telephone Co. on February 11 resulted in a decision to sell the holdings of Megantic People's Telephone Co. It was also decided to consolidate Portneuf Telephone Co., St. Maurice and Champlain Telephone Co.

Approval was given to the proposal to assist National Telephone Co. in its purchase of the assets of Beauce Telephone Co. and Matane and Gaspe Telephone Co.

Appeal Ruling Gt. Lakes Paper May Take Time

Appeal of Western Investments Ltd. against court approval of sale of assets of Great Lakes Paper Co. was heard in appeal court at Osgoode Hall, Toronto this week. Judgment may not be given for some time.

D. L. McCarthy, K.C., for the appellant, claimed that Mr. Justice J. A. McEvoy erred in approving the Aldrich-Gefaell deal which had been adopted by 46 per cent of the total outstanding bonds. It was claimed that the deal was not really a sale upon which the court could rule, but was in the nature of a reorganization.

National Trust Co., as receiver and manager for Great Lakes Paper Co. was represented by I. F. Hellmuth, K.C.. Mr. Hellmuth stated the deal was a sale, transfer or exchange as required under the Ontario Judicature Amendment Act, 1935. He also stated that the receiver made every effort to communicate offers to bondholders, and he asked that the court only consider the vote at the bondholders' meeting.

Major points upon which the court is expected to rule are: (1) Whether the Great Lakes deal is a sale in accordance with the Judicature Amendment Act, and (2) whether the Aldrich-Gefaell offer, approved by less than 50 per cent of total bonds, is acceptable to enforce upon holders of all $10 millions of bonds.

Coal Production

Coal production in Canada during December amounted to 1,340,638 tons as against 1,288,702 in December, 1934, while the average for the month during the past five years was 1,257,544 tons.

Not Too Late

It is still not too late for you to make a valid will, name a Trust Company as Executor and so provide financial protection and sound management for your estate and experienced personal service to your family.

Other men have carelessly neglected this important matter until it was too late, often with disastrous results to their estate and their families.

Will you?

Crown Trust Company
EXECUTORS TRUSTEES — FINANCIAL AGENTS
William I. Gear, *President*,
John Jenkins, *Vice-Pres.* Arthur Lyman, *Vice-Pres.*
Irving P. Rexford, *General Manager*.
393 St. James Street West - Montreal

DUNCANSON, WHITE & CO.
STOCK BROKERS
Members Toronto Stock Exchange
Canadian Commodity Exchange, Inc.
New York Curb *(Associate)*
15 King Street West, Toronto. WA. 3401-8

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Beaupré, Que. Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

THE
TRUSTS and GUARANTEE
COMPANY, LIMITED

Statement of Affairs as at 31st December, 1935

ASSETS

Capital Account			
Office Premises and Safe Deposit Vaults (Shares The Trusts Buildings Limited, wholly owned)		$306,160.77	
Office Furniture		25,000.00	
Real Estate, held for sale		386,313.82	
Mortgages and Agreements for Sale—			
Principal	$478,717.48		
Interest	30,578.03		
		509,295.51	
Loans on Stocks, Bonds and other Securities		57,730.51	
Advances to Estates, Trusts and Agencies		24,755.34	
Can. Municipalities Bonds		9,851.02	
Other Bonds and Debentures		613,414.50	
Stocks		360,284.36	
Cash in Chartered Banks		108,610.98	
Cash on hand		6,237.98	
Other Assets		324,121.14	
			$ 2,731,775.93
Guaranteed Account			
Mortgages and Agreements for Sale—			
Principal	$6,510,451.01		
Interest	419,985.88		
		$6,930,436.89	
Loans on Bonds, etc.		261,063.62	
Dominion and Provinces of Canada Bonds		902,266.46	
Canadian Municipalities Bonds		403,631.22	
Other Bonds		386,464.32	
Real Estate held for sale		363,722.18	
Cash in Chartered Banks		600,831.04	
Cash on hand		20,033.54	
			$ 9,868,449.27
Estates, Trusts and Agency Account			
Funds and Investments			$45,173,451.60
			$57,773,676.80

LIABILITIES

Capital Account			
Capital stock subscribed	$2,570,000.00		
Capital fully paid	$2,535,000.00		
Capital partly paid	13,287.31		
	$2,548,287.31		
Profit and loss balance	138,918.49		
		$2,687,205.80	
Sundry accounts payable		6,345.82	
Dividends declared and unpaid due Jan. 1, 1936		38,224.31	
			$ 2,731,775.93
Guaranteed Account			
Trust Funds for Investment		$7,097,063.82	
Trust Deposits		2,771,385.45	
			$ 9,868,449.27
Estates, Trusts and Agency Account			
Estates, Trusts and Agency Accounts		$45,148,696.26	
Due to Company Funds		24,755.34	
			$45,173,451.60
			$57,773,676.80

JAMES J. WARREN,
President.

C. S. HAMILTON H. A. HOWARD
General Managers.

Branches:
TORONTO BRANTFORD WINDSOR WINNIPEG CALGARY

The Year's Best Automobile Investments
HUDSON *and* TERRAPLANE

"This car has more of everything I've wanted!"

and HERE'S WHY!

Every new car has some new features. Only Hudson and Terraplane have them *all*. Features that will keep them still up to date next year and next and next . . . worth more money *then* to those who buy them *now*.

Completely New Style

Hudson and Terraplane have the most distinctive new style for 1936. And buyers everywhere are deciding it's wise to ride the crest of this *new* style wave, rather than the ebb-tide of the old.

They are finding many extra advantages, too, in these striking Hudson and Terraplane designs. The amazing capacity of the rear luggage compartment, with enclosed spare tire lying flat. The extra width of the seats, and the deeper, more restful cushions. Head room, leg room, unequalled in the medium and low price field.

"The safest cars on today's highways." Hudson and Terraplane are the first popular-priced cars with Radial Safety Control (patent applied for)—the great *new* safety principle that makes riding, steering and stopping safer—and with Tru-Line steering and the Rhythmic Ride.

Safer Bodies! Safer Brakes!

Bodies all of steel : : : another 1937 necessity that you get this year in a Hudson or Terraplane with the first bodies really all of steel, clear through to the improved seamless solid steel roof.

Brakes! Ordinary brakes are out of date, now that Hudson-built cars have shown the way with Duo-Automatic Hydraulic Brakes (patent applied for). Latest and best hydraulics, with a *separate* reserve braking system operating from the same pedal that takes hold *automatically*, if ever needed. Plus the Electric Hand, an optional extra, for finger-tip shifting with both hands always on the wheel.

Next Year's Features Now

Hudson-built cars give you *today* the features that will make them worth more money to you when tomorrow comes. Styled to be still *young-looking* : : : with the famous Hudson and Terraplane performance and durability that will keep them *young-acting*. They will be ready to go and keep on going after other 1936 cars have settled down to a peaceful old age.

Try a Hudson or Terraplane with *next year's* style and features—let them prove themselves to you as *this year's* best automobile investments.

HUDSON MOTORS OF CANADA, LIMITED
Tilbury, Ontario

Look at these Low Prices!

TERRAPLANE $906 UP
Steps you up in everything but price.
115-inch wheelbase —88 or 100 h.p.

HUDSON $1078 UP
SIXES—93 or 100 h.p.—wheelbase 120"
EIGHTS—113 or 124 h.p.—wheelbase up to 127"

Prices quoted are retail at factory, Tilbury, Ont., freight and license only extra

SAVE WITH THE NEW HUDSON 7% FINANCE PLAN

619

FOR WINTER DRIVING SAFETY . . . AND A SOUND INVESTMENT . . . A HUDSON-BUILT CAR

See and Drive the 1936 Hudsons and Terraplanes at your nearest Hudson-Terraplane dealers

Easy to buy with the new Hudson 7% Finance Plan.

Investment Trends —

Counsellors Become Cautious

* * * *

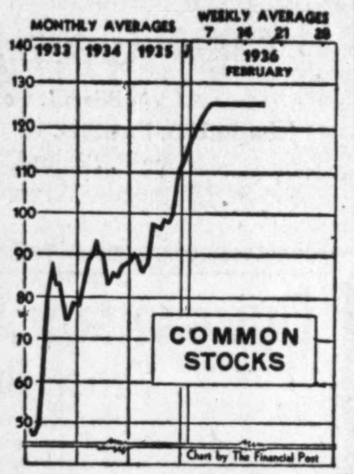
Stock Investments Favored

Switching of funds from bonds to stocks by long-term investors has contributed to the strength in share markets. Growth of demand for trust and loan company deposit receipts indicates continued accumulation of investment funds.

For the short term, there appears to be increasing scepticism among investment advisers as to the extent of a possible further rise of stocks. Levels well above 75 in the Montreal industrial average, above 140 for the Toronto figure and over 150 for the Dow-Jones average at New York were suggested in this column several weeks ago. These heights have now been reached.

Newsprint men not primarily interested in market speculation view with doubt the sustained advance of pulp and paper securities.

Public participation continues to carry stock prices upward, and investment demand forms a cushion for any eventual fall.



Common stock prices hesitated slightly in their advance in the week ended Feb. 13, as shown by Dominion Bureau indices. Since that time the high level of prices has been sustained. Indices are tabulated on this page.

Direction of Rise

THE direction in which the general advance of share prices has carried various groups of Canadian stocks is shown by the Dominion Bureau of Statistics in this compilation of indices:

Common Stocks	February 1936	1935	Change %
Industrials:	199.3	126.6	+57.4
Iron and steel	136.4	125.1	+9.0
Pulp and paper ..	20.0	13.8	+44.9
Milling	81.9	66.9	+22.4
Oils	250.9	177.5	+41.4
Textiles	73.4	74.9	—1.9
Foods	157.5	129.9	+21.2
Beverages	150.7	106.0	+42.2
Miscellaneous	320.7	164.4	+95.1
Utilities:	55.0	50.2	+11.6
Transportation ...	32.9	32.3	+1.9
Telephone, t'graph	113.7	102.6	+10.8
Power, traction ...	68.6	60.2	+14.0
Mining:	150.3	120.5	+24.7
Gold	131.1	119.4	+9.8
Base metals	229.2	128.6	+78.2
Grand total	124.2	89.0	+39.6

Consumption industries have continued to enjoy the greatest recovery in stock prices as well as in business volume.

The rise of gold shares has already discounted the greater part of benefits from the increase in price of gold, so gold stocks have only gained modestly.

Textiles have been harassed by the well-founded fear that tariff adjustments would at least not be immediately favorable.

Transportation and iron and steel industries continue to suffer from lack of recovery in building, construction and heavy industries. The fact that this phase of recovery has been sluggish, however, leaves ample room for improvement.

Utilities have not been in favor largely because of the adverse influences of high taxation and government interference.

* * *

Investing in Stocks

AS ONE of the trustees responsible for investment of $24 millions of trust funds for Stanford University, Herbert Hoover, former U.S. president, recently testified in court in favor of allowing the trustees to invest endowments in equities. Said he:

"While common stock, real estate and other equities are subject to risk, yet this may be the lesser risk than bonds and mortgages."

Inflationary influences in the United States led Mr. Hoover to this conclusion It must be noted, of course, that he is thinking of long-term investment in stocks, rather than of speculation.

R. C. Effinger, vice-president of Irving Trust Co., New York, recently suggested investment of trust funds in these percentage proportions: highest grade, long-term bonds, 25; highest grade, medium-term bonds, 25; highest grade, short-term bonds or notes, 35; standard, dividend-paying, common shares, 15.

The most attractive shares, he said, seem high at present in terms of yields, earnings ratios and net asset values. They may not be high, he suggested, in the long-term trend.

* * *

Warning Posted

FOLLOWING a long and sustained rise of common share prices, it is natural that warnings should be posted. Senator Raoul Dandurand, president of the Montreal City and District Savings Bank, spoke plainly at the recent annual meeting. Said he:

"A boom in stocks is always unhealthy. In this period of slow recuperation, it is bound to fail before making any headway, but it will hamper the normal development of business, because confidence will again have been shaken."

Senator Dandurand sees the world moving toward more prosperous conditions but at a gradual pace. He frowns not upon investment but upon speculation, especially when prices have risen so far.

* * *

Boxboard Trend

BECAUSE the boxboard business has been more profitable recently than other branches of the paper business, a tendency to expansion into this field is noticeable. The result may be to skim the still-thin cream off, and organization within the industry may not be able to stop it.

* * *

Flour Reversal

EXPORTS of Canadian wheat flour in January totalled 341,311 barrels, compared with 346,099 barrels in the 1935 month. In the period to Jan. 31, the first six months of the current crop year, total exports were 2,557,000 barrels, compared with 2,458,000 barrels in the corresponding portion of the preceding crop year.

This slowing-down of flour exports reverses the trend up to December 31, and bodes less good for flour milling firms than has been anticipated.

Canadian millers are handicapped in the export field by a lower competitive rail rate for wheat exports than for flour shipments. Consequently, British millers get a competitive advantage in costs. If something can be done about this, the situation would be healthier.

General Steel Wares Current Trade Grows

From Our Own Correspondent

MONTREAL. — A moderate improvement in business of General Steel Wares so far this year was reported by John C. Newman, president, at the annual meeting of shareholders.

A GOOD YIELD
in face of Present Trends

The trend towards lower interest rates, and indications that easy money conditions will continue, are factors which make a present return of 4½% on sound Corporation bonds highly satisfactory.

We recommend
UNION GAS COMPANY
OF CANADA LIMITED
4½% First Mortgage Bonds
(Closed Issue)
Maturing December 1st, 1950
PRICE: 98 and accrued interest to yield over 4.68%
Descriptive circular on request

*

NESBITT, THOMSON
AND COMPANY LIMITED
355 St. James Street West, Montreal
Branches in all the principal cities of Canada

Simpson's Net Drops in 1935 But Pays Way

Preferred Arrears Now $20 But Position is Improving

SUBSIDIARIES' INCOME

Consolidated profits from operation in the period from January 2, 1935, to January 8, 1936, of Simpson's Ltd., and operating companies, were $2.1 millions and of The Robert Simpson Co., Ltd. $1.1 millions. The difference of $1 million represents in the main the income received from properties rented or leased by the parent company to The Robert Simpson Co. and whatever amount Simpson's Ltd. may have received from The Robert Simpson Co. subsidiaries.

Mail Order Not Included

A note to the Robert Simpson Co. balance sheet states that the loss of one subsidiary company and the profits of the other subsidiary companies had not been taken into account by the directors in arriving at the profits of The Robert Simpson Co.

Which subsidiary made the loss is not stated but in previous years it was The Robert Simpson, Ltd., which operates the company's mail order business in central and eastern Canada. It has two large properties in Toronto and Halifax. Its capital stock is shown at $1.5 millions but in the balance sheet the investment is carried in The Robert Simpson Co. books at $439,954.

The other subsidiaries, which are understood to have made a profit, are Thompson Manufacturing Co., making women's ready-to-wear garments in Toronto, The Robert Simpson Montreal, Ltd., operating a large departmental store in that city, Keens Manufacturing Co., operating a lingerie factory in Toronto, and The Robert Simpson, Western, which handles all the Western mail order business from Regina.

Robert Simpson Co.

The Robert Simpson Co. balance sheet shows the balances due from these subsidiaries to be $4.7 millions. The investment in the shares of these subsidiary companies is carried at $1.8 millions. Without their combined profits and losses The Robert Simpson Co. paid $351,750 to the parent company on its common stock in addition to rental and lease money.

The following list contains comparable items which indicate the scope of operations of Simpson's Ltd., both including and excluding The Robert Simpson Co., Ltd., actual earnings and balance sheet items shown:

(In millions of dollars)	Simpson's	R. S. Co.	Difference
Oper. profits	2.1	1.1	1.0
Deprec. res.	.6	.3	.3
Income tax	.17	.14	.03
Merchandise	6.2	3.5	2.7
Receivables	5.6	3.6	2.0
Cash	.25	.19	.06
Payables	2.8	2.3	.5
Due from subsids.	..	4.7	..
Capital assets	21.4	8.5	12.9
Invest. in sub. shs.	..	1.8	..
Property reserve .	..	5.7	..
General reserve ..	..	1.0	..
P. & L. surplus ...	..	6.0	..
R. S. Co. common	..	3.5	..
Total assets	38.8	23.4	15.4

Note: — Robert Simpson Co. figures, which stand singly, are meant only as a sort of commentary or addenda to consolidated figures of Simpson's Ltd. for merchandise, capital assets and total assets.

Preferred Arrears $20

There is now $20 a share in arrears on 112,500 shares of 6½ per cent preferred shares of Simpson's Ltd. For the last 18 months dividends have been paid at the rate of $4 a share annually. Earnings were enough for this in 1935 but no more. Earnings will have to recover to the 1931 level to take care of the full dividend and begin to pay arrears.

The company has been improving the position of the preferred stock otherwise. Since 1929 it has built up a depreciation reserve of $3.6 millions, and reduced funded indebtedness by more than $600,000. It reduced bonds in 1925 alone by $361,000, equal to more than $3 a share on preferred. The Robert Simpson Co. position is especially strong.

Hiram Walker's Declares 50 Cents on Common Stock

First dividend in years on Hiram Walker-Gooderham & Worts common stock was declared at 50 cents a share by directors at a meeting in Toronto on February 17.

This is payable March 16 to shareholders of record February 28. The regular preferred quarterly dividend of 25 cents a share was also declared.

This first payment on common stock is not a quarterly payment nor an interim, however. The directors have not yet committed themselves by this payment to rate or periodicity of payments. The stock receded a little on the news but still stands at 33¼, showing that investors regard this payment as much less than what will ultimately come.

The company earned $4.10 a share on common in the year ended August 31, 1935, and $1.65 a share in the first quarter of the current year. The second quarter is believed to have been equally profitable.

In these first years, however, dividend policy must be tentative. The company is including in its expenses all whisky manufactured and now maturing.

Mersey Paper Co. Sets New Record Output

From Our Own Correspondent

MONTREAL.—Mersey Paper Co.'s mill at Liverpool, N.S., which has been operating at more than rated capacity during the past year, set a new record during the week of February 15.

The two machines operated by the company are nominally rated at a capacity of 250 tons daily. This figure has been exceeded on many occasions. On February 10 last a record was set when the plant turned out 347.9 tons. According to the management this is believed to constitute a top figure for all mills of the Mersey's capacity in the world.

Case of Thayers, Ltd.

Leonard Thayer Takes Exception to The Financial Post's Comment—Does Compliance With Ontario Law Give Investors Enough Information?

Leonard Thayer, president of Thayer's, Ltd., London, Ont., takes exception to an investment note regarding his company in The Financial Post of February 15. It read as follows:

Thayers Mystery

"The manner in which proceedings at the special January meeting of shareholders of Thayers Ltd. are kept dark is not contributing to investor confidence in the western Ontario oil firm. Minor changes were to be made in the capital stock. Whether or not they were approved, and a reduction made in the number of directors, is a puzzle. It is another of the many indications of pressing need for revision of the Ontario Companies Act, so that information will be made public."

The particulars wanted concerning the special January meeting of the company may not be important. The whole affair may be quite trivial. The Post is not accusing the company of any kind of delinquency. It is within its rights under a law which The Post regards as inadequate.

Small Investors Need Information

To say a room is kept dark is not to say anything against that room. But it is not an easy room to walk through or to locate an article in. To say that the important acts of directors of a company are kept dark is not saying anything against a company. But it is an important fact for investors, who have not yet bought shares of a company, to know. Investors with lots of money can no doubt get full information from a company before they invest but how about small investors who need every help that laws regarding disclosure can give?

Mr. Thayer's claim is that the company gave to shareholders who asked for it all the information it is required to give under the Ontario Companies Act. The Post does not regard that as sufficient information for people who have a proprietary interest in shares but who are not registered shareholders. It does not regard it as sufficient information for the general public, every member of which is a potential shareholder when the stock is listed or sold regularly "over the counter."

Mr. Thayer defends his reluctance to give information about the affairs and progress of the company on the ground that such information would be used by brokers to sell shares. Like many another executive he says he is not interested in the market position of his stock. He considers that the company lives up to its duty to shareholders when it complies in all particulars with the Ontario Companies Act provisions.

The Financial Post's Viewpoint

The Financial Post's view is that, whatever the law may happen to be, it is the duty of a company to keep the shareholders fully advised of its progress and of changes in its organization or affairs. It goes further to say that such a company should make it easy for the interested public to get the same information. The best way to do that is to make the information public. With full information given the public no executive need worry about the public paying too much for the stock of his company. Too roseate a picture might be painted for investors out of inadequate information. Such an attempt cannot last long if full, clear, adequate information is given.

Investment Notes

Beer Buyers

London has bought substantial blocks of Brewing Corp. common recently, up to $4½ a share. Britishers who have put money into the company are bears for punishment, but bulls on beer.

* * *

Interests in Gas

Union Gas common around $11 is viewed as a more than interesting long-range speculation by Canadian oil interests who are associated in the Western Ontario utility firm.

* * *

Big Advance

Since Frost Steel and Wire was mentioned in this column, the common shares have risen from $2½ to $8. This discounts further improvement in farm purchasing power. The preferred, at $100, may not have discounted fully the eventual possibility of some effective treatment of arrears of dividends of $19.25 a share.

* * *

Bank of Canada

Yield on Bank of Canada shares, at $53, is over 4.2 per cent. Issue of additional shares to the government would dilute earnings on the stock somewhat, but the dividend of $2.25 a share will continue to be earned "by a mile." Redemption of the stock now appears improbable, since it would cause political discontent.

* * *

Liquor Shares

"I don't like them," comments one stock broker, "but I'll wager two to one that whisky shares such as Distillers Corp. and Walkers will sell at 50 per cent higher prices inside a year." He counts on resumed dividend payment this year to raise the liquor shares.

* * *

English Electric Up

Advance of English Electric A to $18 and the B stock to $12 a share is market confirmation of The Financial Post's explanations of the improved outlook for the company. Prices now appear to discount fairly liberally fundamental changes in the situation which were originally brought out in The Post when the shares were around $10 and $4 respectively. The direct cause of the recent rise is active sponsorship of the A stock by Montreal interests.

* * *

Wirebound Action

Underlying the firmness in Canadian Wirebound Boxes A stock above 20 is steady redemption of shares under authority granted by shareholders in 1930.

* * *

Brazilian to Pay?

Interests that led the buying of Brazilian Traction which raised the shares above $14 now predict a cash dividend of 50 cents a share in the near future, and another 50 cents later this year.

* * *

Royalite Rumor

An interesting "street rumor" is that two shares of Imperial Oil may be offered for one share of Royalite Oil. Firmness of Royalite shares around $35 is attributed partly to this rumor, partly to the fact that the stock deserves investment ranking because of its earning and dividend-paying power. Last October when Royalite was at $23, The Financial Post stated: "People who should know the situation think highly of Royalite."

* * *

Rogers-Majestic Disappointing

Official reports of large percentage increases in sales by Rogers-Majestic Corporation have been interpreted recently by The Financial Post as of doubtful significance to prospective earnings results. Now comes the report that results will not be very favorable. Meanwhile, financial interests that had acquired large blocks of shares last year have been selling the stock freely, which accounts for the slump below $5 a share.

* * *

Canning Insolvency

Associated Quality Canners has been insolvent for several years. It has only been kept a going concern by the parent firm, Whittall Can Co., which advanced it large sums. Continental Can Co., which now controls Whittall, no longer intends to play Santa Claus to A. Q. C. This is hard on A. Q. C. minority shareholders, who, however, would have been wiped out long ago but for Whittall Can.

* * *

Sewer Pipe

One of the more interesting "building stocks" is National Sewer Pipe A, which is entitled to an annual preference dividend of $2.40 a share; which, of course, is not being paid. The shares are "sticky" around $18. True, operating results have been poor; but with over $30 a share of net liquid assets, equity over $70 a share, and hopes of more active construction, the stock compares favorably with more highly publicized building issues.

* * *

Southern Canada Power

Southern Canada Power earnings in the 1935 fiscal year reflected inauguration of lower rates. For the first four months of the current year ended January last, Southern Canada's gross earnings show a slight increase over the corresponding period of a year ago.

It is too early to say whether increased consumption brought about by the lower rate has offset the loss in gross revenue, but the trend appears more favorable for the company.

* * *

Earnings of Hinde & Dauch Paper Co. were stated incorrectly at $1.38 a share in this column last week. The 1935 profits were equivalent to $1.18 a share.

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities	15	6	5	5	11	18	9	89	23	112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
Weekly Figures, 1936:										
Feb. 6	136.4	20.0	81.9	250.9	73.4	157.5	150.7	199.3	55.0	124.2
Feb. 13	137.4	21.2	84.8	249.7	74.4	159.2	150.4	199.5	55.0	124.3

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Feb. 18	141.55	132.76	143.54
Feb. 17	140.30	132.01	141.73
Feb. 15	139.74	131.66	141.69
Feb. 14	139.17	131.61	139.79
Feb. 13	139.55	131.47	138.19
Feb. 12	139.46	131.74	136.90
Month ago ..	131.75	126.43	124.73
Year ago ...	110.11	118.94	84.70
High, 1936 ..	141.55	135.81	143.54
Low, 1936 ..	129.13	121.27	123.59

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Feb. 18	71.2	77.4	75.3
Feb. 17	71.0	76.9	75.0
Feb. 15	71.6	76.5	74.9
Feb. 14	71.6	76.0	74.6
Feb. 13	71.4	76.5	74.8
Feb. 12	71.3	76.7	74.9
Month ago	67.9	72.4	70.9
Year ago	61.0	61.7	61.5
High, 1936	71.7	77.4	75.5
Low, 1936	68.0	70.3	69.6

We have pleasure in announcing that
MR. GEO. H. O'NEIL
has become associated with this firm as of February 17, 1936.

H. R. BAIN & COMPANY, LIMITED — Investments
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MASSEY-HARRIS SALES INCREASED 15 P.C. FOR 1935

Argentine Drought, Canadian Rust and Frost Cut Short Revival

Sales of Massey-Harris Co. for the year ended November 30, 1935, were 15 per cent higher than in the preceding year. Loss for the year after all charges was therefore $800,000 less than in the preceding year.

At the end of June sales were 22 per cent greater than in the same period of 1934. The Argentine had the most severe drought in more than 25 years. Its crop was 58 per cent of the 1934 total. Fall trade in Canada fell also due to the damage to crops from rust and frost. The total income for 1935 to the Canadian farmer was a little higher than in 1934 because of higher prices for animal and dairy products.

It is rather interesting to note that the company's loss of $1.4 millions was after items such as the following:

Provision Out of Earnings

	$	$
Bad and doubtful debts	590,273	713,924
Exchange losses	483,250	414,314
Contingencies	160,000	‡
Depreciation	419,080	493,511
	1,652,603	1,621,749

‡No provision was made out of annual earnings but $2.5 millions was nevertheless added to accumulated deficit as additional contingency provision against value of receivables and for reduction of property value.

In this total of nearly $1.7 millions only the reserve for depreciation can be considered necessarily recurring from year to year. The drop from 1934 apparently shows foreign exchange and international trade improving.

Fixed Assets

The company's fixed assets are less by $180,675 due to the sale of certain properties in Australia and Germany.

New Dominion law is responsible for such items as the following now appearing in the annual report: remuneration to executive officers, including directors holding salaried employment, $65,973; legal fees, $1,871.

For further figures see page 17.

Dominion of Canada Guaranteed
Canadian National Railway Company
3% Bonds, due February 15th, 1953
(Callable at 100 on or after February 15th, 1948)
Price: 97.50 and interest, yielding 3.19%
Denominations: $1,000 and $500.

Payment of principal and interest is unconditionally guaranteed by the Government of the Dominion of Canada. A copy of the guarantee will be endorsed on each Bond.
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London, Ont.

Moirs Liquidates Loan With Bank Since Year End

From Our Own Correspondent

MONTREAL. — Since the beginning of the current year, Moirs Ltd. has paid off the balance of its bank loans, amounting to $203,000, has been liquidated, according to a statement made by J. C. MacKeen, president, at the annual meeting of shareholders.

EST. 1917
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MEMBERS CANADIAN COMMODITY EXCHANGE INC.
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Bond Markets

Favor Short-term Bonds

Investors continue to favor short-term securities.

Definite indication of this is seen in the recent C. N. R. loan for $80 millions, which was over-subscribed. Demand for the seven-year two per cent bonds was much greater than for the 17-year three per cent bonds. Of the total of $80 millions, $55 millions was allotted to the short-term maturity. Distribution of the allotment as between individuals, banks, insurance companies and bond dealers is not available. Bond dealers report a good demand from the investing public.

The Ontario Hydro has called for tenders on $15 millions of 2½ per cent five-year bonds.

The Roman Catholic Episcopal Diocese of London has called its five per cent bonds, due 1954. It is understood that A. E. Ames & Co. and Midland Securities have underwritten a refunding issue.

Religious Financing

BONDS of institutions and communities of the Roman Catholic Church are becoming an important outlet for investment funds. While the market was previously confined for the most part to individuals, institutions such as insurance companies have recently developed into important buyers of these securities because the yields are attractive.

During 1935 there was a substantial volume of religious financing and refunding. Underwriting of the issues was for the most part confined to French investment houses in Montreal and Quebec.

* * *

Few Defaults

A SURVEY of the religious bond field, the results of which are of interest to the investor, was recently made by L. G. Beaubien & Co. of Montreal.

Regarding as separate bodies the financially autonomous sections of the same religious order, there are 226 communities in Canada. At least 111 of these have no securities outstanding. Of the remaining 115, information on the funded debt of 34 proved unobtainable.

The remaining 81 communities have funded debt of $33 millions of which only 2.9 per cent is in default. And in each case of default, with one minor exception, reorganizations to provide for interest payments are in operation.

* * *

Municipal Bonds

THE slight consideration which the interest of creditors is being given in many instances in the municipal field is affecting the market for municipal debentures.

In commenting upon this situation, A. A. McPherson, president of the Ontario Loan and Debenture Co., in his address to shareholders recently, stated as follows:

"Bonds of some of our important municipalities included in regulations as good liquid securities for a financial institution to hold have become practically unsaleable. Not, it is to be noted, on account of temporary inability to meet obligations fully and exactly when due, but more on account of the fact that government direction and insistence upon present or eventual fulfilment of contracted obligations has been seriously lacking."

* * *

Government Bonds

PRICES of government bonds continue to advance although interest yields have reached a point where long-term investment is unattractive. The Financial Post index of government bonds is at present higher than at any time since April of last year.

Short term money is at present available to governments at the lowest cost in history. The federal government recently sold a $20 millions issue of treasury notes on a cost basis of 1.0554 per cent.

The trend of the high-grade bond market is indicated below:

The Financial Post Average Yield and Price For Seven High-grade Government Bonds

1936	Yield %	Price $	1935	Yield %	Price $
Feb. 18	3.390	113.64	Feb. 18	3.514	113.51
Feb. 17	3.390	113.64	Feb. 16	3.530	113.37
Feb. 15	3.387	113.68	Feb. 15	3.537	113.27
Feb. 14	3.387	113.68	Feb. 14	3.588	112.61
Feb. 13	3.390	113.64	Feb. 13	3.595	112.53
Feb. 12	3.417	113.34	Feb. 12	3.597	112.50
Feb. 11	3.420	113.31	Feb. 11	3.581	112.67
Year's	3.387	113.68	Year's	3,367	114.97
Range	3.597	111.50	Range	4.097	106.57

Bond Sales

Treasury Bills

The Bank of Canada has announced the sale of $20 millions of Dominion of Canada treasury bills payable May 15, 1936, at a new record low cost of 1.0554 per cent. The average discount price was 99.74044. Cost of short-term money to governments is at present at the lowest level in the history of Canada. Cost of 1.0554 per cent compares with 1.0924 per cent for an issue of $30 millions sold on Feb. 1. In February, 1935, the average cost was 2.05 per cent.

* * *

City of Hamilton

Hamilton, Ont., has sold $2,047,775 of three per cent and 3½ per cent installment debentures to a syndicate composed of the Imperial Bank, the Dominion Bank, Royal Securities Corp. and Harrison & Co., Ltd. The issue is divided into $1,516,000 of three per cent 10-year debentures and $531,775 of 3½ per cent 20-year debentures. The bonds are being offered to yield from 2.50 per cent to 3.8 per cent. Bids were as follows:

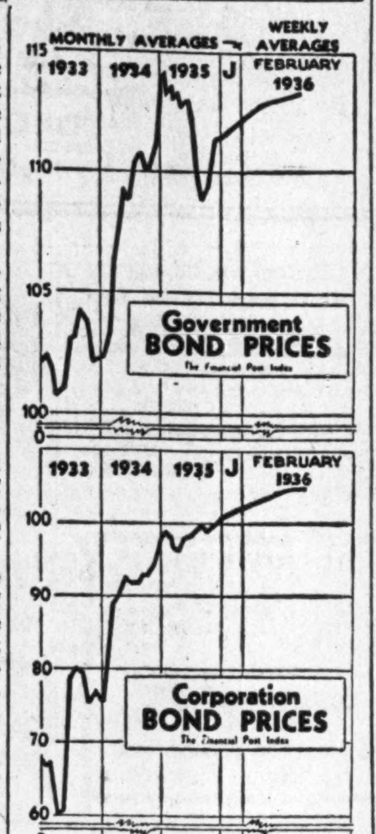
	Bids	
	3% 10-yr.	3½% 20-yr.
Imperial Bank; Dominion Bank; Royal Securities Corp.; and Harrison & Co.	*97.73	97.48
Griffis, Fairclough & Norsworthy Ltd.	*96.50	*96.50
Dominion Securities Corp.; A. E. Ames & Co.; Bank of Nova Scotia; Royal Bk.	*96.10	*95.27
Mcleod, Young, Weir & Co.; Bell, Gouinlock & Co.; Mills, Spence & Co.; Bank of Montreal	*97.55	96.64

*Option.

St. Lambert Bondholders Defer Refinancing Action

Bondholders of City of St. Lambert, P.Q., meeting to consider a refinancing plan proposed by the Quebec Municipal Commission deferred action to a future date.

The plan proposes that interest rates be cut one per cent, with a minimum rate of four per cent and that all capital maturities be postponed three years.



C. S. L. Profit Modest, Balance Sheet Better

Canada Steamship Lines financial statement will probably make its appearance next week. Earning power of the company during the past year was not as satisfactory as had been anticipated at the beginning of the season, owing to the limited grain movement. On the other hand, the company was able to further improve its financial position and the 1935 statement is expected to show bank loans liquidated and a considerable amount of cash carried forward into the current year. To date there has been no indication that the bondholders' protective committee will bring forward a plan of reorganization.

Mitchell Meeting Routine

From Our Own Correspondent

MONTREAL.—J. S. Mitchell and Co.'s annual meeting was a regular affair, with the 1935 financial statement being approved and directors re-elected.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Mt. Royal Tunnel	5%	1970	Apr. 15	100
United Amuse...	6%	1942	Mar. 1	103
Mtl. Pr. Cons. A.	5%	1951	Apr. 1	104
Paton Mfg.	6%	1953	May 1	103
W. Koot. Pr.	5%	1956	Mar. 1	104
Wabasso Cotton.	6%	1947	May 1	110
St. Maur. Vall. Cot.	6%	1952	May 1	105
Shaw. Cotton	6%	1949	May 1	105
Wabasso Cotton.	7%	1942	May 1	110
Orpheum Thea. (Van.)	6½%	Ser.	Mar. 1	*102½
Ritchie & Ramsay	7%	1944	Apr. 1	105
St. Mary's Cement	‡6%	1942	May 1	103

*Payable in U. S. funds.

‡$31,500 for sinking fund purposes.

Stock Issues:	Rate	Stock	Date	Price
G. Tamblyn†	7%	Pref.	Apr. 1	110
Cosmos. Imp.	7%	Pref.	Apr. 1	105

†$150,000 drawn by lot for sinking fund purposes.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass	20c	Mar. 2	Feb. 15
Do., pref.	$1.75	Apr. 1	Mar. 16
Acadia Sugar pf.	7½c	Mar. 2	Feb. 15
Do., on arrears	7½c	Mar. 2	Feb. 15
Do., pf. (£1)	0.073	Mar. 2	Feb. 15
Do., arrears	0.073	Mar. 2	Feb. 15
Acme Glove pf.•	95c	Apr. 1	Mar. 31
Do., arrears	56¼c	Apr. 1	Mar. 31
Anglo-Can. Tel. 'A'	12½c	Mar. 2	Feb. 15
Bright, T. G.	7½c	Mar. 14	Feb. 29
Do., pref.	$1.50	Mar. 14	Feb. 29
Bk. of N.S.	$3	Apr. 1	Mar. 16
Biltmore Hats, pf.	$1.75	Mar. 14	Feb. 15
Borden Co. c.	40c	Mar. 2	Feb. 15
Bk. Can. Nationale	$2	Mar. 2	Feb. 15
Bank of Toronto	$2.50	Mar. 2	Feb. 15
Belding-Cort.	$1	Apr. 1	Mar. 14
Do., pref.	$1.75	Apr. 1	Mar. 14
Bank of Montreal	$2	Mar. 2	Jan. 31
Can. Vinegars	30c	Mar. 2	Feb. 15
Can. Bk. of Commerce	$2	Mar. 2	Jan. 31
Corr. Pap. Box, pf.	$1.75	Mar. 1	Feb. 15
Canadian Oil, pf.	$2	Apr. 1	Mar. 20
Can. Silk Prod., A	37½c	Feb. 29	Feb. 15
Capital Trust	$3	Mar. 2	Dec. 31
Crown Life	‡2½%	Jan. 2	Dec. 31
Do., extra	‡25%	Mar. 20	Feb. 12
Can. & Dom. Sugar	37½c	Mar. 2	Feb. 15
Can. Indust. A & B	$1	Apr. 30	Mar. 31
Do., pref.	$1.75	Apr. 15	Mar. 31
Cosmos Imp.	20c	May 15	....
Dominion Bank	$2.50	Apr. 1	Mar. 20
Dom. Scott Inv., pf.	25c	Mar. 2	Feb. 20
Dome Mines	50c	Apr. 20	Mar. 31
East. Twps. Tel.	18c	Apr. 15	Dec. 31
Electrolux	40c	Mar. 16	Feb. 27
Do., extra	10c	Mar. 16	Feb. 27
Falconbridge N.	7½c	Mar. 26	Mar. 10
Hollinger Gold	5c	Feb. 25	Feb. 10
Int. Power, 1st pf.	$1.50	Apr. 1	Mar. 14
Int. Nickel, c.	25c	Mar. 31	Mar. 2
Inter. Mining	15c	Mar. 20	Feb. 29
L. of Woods Mill. p.	$1.75	Mar. 2	Feb. 15
Laura Secord	75c	Feb. 29	Feb. 15
Loblaw, A & B	25c	Mar. 2	Feb. 14
Lake Shore M.	50c	Mar. 16	Mar. 2
Do., extra	50c	Mar. 16	Mar. 2
Macassa Mines	5c	Mar. 2	Feb. 15
Mercury Oils	3c	Apr. 1	Feb. 29
McColl-Fron., c.	20c	Mar. 14	Feb. 15
McIntyre Mines	50c	Mar. 2	Feb. 1
Mill City Pet.	†5c	Feb. 21	Jan. 31
Mitchell, J. S.	$1	Mar. 2	Feb. 14
Monarch Knit., pf.	$1.75	Apr. 1	Mar. 14
Monarch Life	$1	Jan. 2	Dec. 24
Mtl. Loan & Mtge.	50c	Mar. 16	Feb. 29
N.S. L. & Pr. pf.	$1.50	Mar. 2	Feb. 15
Nat. Biscuit, pf.	$1.75	Feb. 29	Feb. 14
Do., com.	40c	Apr. 15	Mar. 13
Ogilvie Flour pf.	$1.75	Mar. 2	Feb. 20
Petrol Oil & Gas	2c	Mar. 1	Feb. 15
Do., bonus	2c	Mar. 1	Feb. 15
Photo Engravers	50c	Mar. 2	Feb. 15
Page Hersey	75c	Apr. 1	Mar. 14
Pioneer Gold	20c	Apr. 1	Mar. 2
Reno Gold	3c	Apr. 1	Mar. 20
Royal Bank	$2	Mar. 2	Jan. 31
Rolland Pap., pf.	$1.50	Mar. 2	Feb. 15
Sher.-Williams, p.	▲$1.75	Apr. 1	Mar. 15
Sylvanite	5c	Mar. 31	Feb. 22
Third Can. Gen. Inv. Tr.	8c	Mar. 16	Feb. 29
Walker-Good.	50c	Mar. 16	Feb. 28
Do., pref.	25c	Mar. 16	Feb. 28
Westminster Paper	20c	May 1	....

†Initial. ‡Interim.

▲For quarter ending May 31, 1934.

•Includes adjustment of 13¾c. for 3½ months ended Mar. 31, 1936; previous payments made Mar., June, Sept. and Dec. 15.

‡On paid-up value.

Railway Tax Bill $35.2 Millions Yearly

From Our Own Correspondent

MONTREAL. — Tax bills paid by the Canadian National and Canadian Pacific Railways at present amount to $35.2 millions annually, according to a statement made by S. W. Fairweather, director of the C.N.R. Bureau of Economics, and of this amount the C.N.R. pays $21.2 millions and the C.P.R. $14 millions.

Direct taxation paid by the Canadian National amounts to $5.2 millions, as compared with the C.P.R. payments of $4.1 millions, and indirect taxation, including sales tax, excise tax, etc., is estimated at $16 millions yearly for the C.N.R. and $10 millions for the C.P.R.

Can. Industrial Alcohol Widening Its Markets

From Our Own Correspondent

MONTREAL. — Canadian Industrial Alcohol officially confirms the report that a further large quantity of American type whiskies has been bought from Consolidated Distillers Ltd., a subsidiary of C.I.A., by Continental Distilling Corp. of Philadelphia. This is the sale which was mentioned to shareholders at the recent annual meeting. No information is available as to the exact amount of the purchase.

In connection with the new chemical products division, which the company is establishing, it is reported that the entire output of acetone has already been contracted. Conversion of equipment to produce acetone and butyl alcohol has been progressing, and initial production will begin about the first week in March.

Regent Knitting Mills Pref. Listed in Montreal

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange, following instructions of the directors of the company, has listed 16,000 shares of Regent Knitting Mills preferred stock.

Security Commission and Brokers Plan Purge of Unlisted Markets

Movement on Foot for Creation of Central Clearing House and Further Check on "Bid-Asked" Quotations

By THOMAS C. THOMPSON

Ontario's unlisted security markets are due for a house-cleaning.

Action by brokers themselves, and the possibility that the Ontario Securities Commission may put new "teeth" into existing regulations, are now indicated in connection with weaknesses in the present system of unlisted trading, revealed by The Financial Post a month ago.

Among the flaws which constitute a danger to holders of unlisted securities is the practice of publishing only unlisted brokers bid and asked prices without a sales record. The stocks or bonds are traded on the over-the-counter market, and apart from brokers' private records, no available record exists as to the actual price at which unlisted securities change hands.

In lieu of this record, brokers issue lists of bid and asked prices which may represent actual sales, but in periods of inactive markets show merely the approximate prices at which the securities are quoted. Thus, it is possible for holders to be misled as to current marketability of the shares, which may reflect merely the price at which a broker believes they should be selling if an active market interest existed.

Promotional Interest

More important is the fact that many brokers, as underwriters or in some other capacity, can have a financial or promotional interest in the securities. The result is that quotations of bid and asked prices can, either deliberately or otherwise, become artificial. There is no opportunity for this condition among stocks listed, on recognized exchanges.

A movement is already on foot, however, to create a central clearing house in Toronto, through which unlisted securities will be cleared in the same manner as stocks or bonds traded on the Toronto and Montreal stock exchanges.

The effort, if successful, will have the effect of providing a central record office, from which quotations based on actual sales can be compiled.

"Support buying" by brokers or others anxious to maintain prices of a stock during the period in which it is being distributed to the public, is not affected by the plan for an unlisted clearing house, since such buying may be a legitimate expression of the promoter's or underwriter's faith in his own issue.

Many Advantages Seen

On the other hand, brokers and others sponsoring the plan, see many advantages of a clearing house, through which actual securities are cleared daily at the close of business.

This system, in use among member houses of leading stock exchanges, automatically prevents operations by financially unsound brokerage firms by requiring immediate settlement of transactions.

Its records likewise afford a clear indication of whether an unlisted security is being traded by the public at large, or among a small group whose buying and selling operations can create and maintain the price of a stock at a level having no relation to actual value or prospects of the company concerned.

Conversations with a view to establishing a Toronto clearing house, are understood to envisage membership by both listed and unlisted brokers, since the former in many cases maintain unlisted trading departments to handle business on the over-the-counter markets.

The plan is still in the formative stage, but it is understood to have attracted the sympathetic interest of the Ontario Securities Commission. There is, however, no indication that the commission is taking an active part in furthering the plan, although the identity of those connected with the movement suggests that it is being sponsored by brokers and others of recognized standing. Before becoming operative it would, in any event, require the approval of Ontario government authorities, through the Ontario Securities Commission.

Other Measures Considered

Either as part of the clearing house scheme, or as a separate move to correct weaknesses in the existing system of bid and asked quotations, other measures are understood to be under consideration by Ontario Securities Commission officials.

These, like the brokers' proposal, have not taken definite shape, but it is learned that Ontario officials have also discussed the advisability of maintaining a central source of information on trading in unlisted stocks and bonds.

One suggestion under consideration, but which is not likely to become effective until brokerage interests have been consulted, is a method by which all brokers in Ontario will file, with the Securities Commission, a regular report of transactions in unlisted securities.

Provided with printed government forms for the purpose, all brokers would, under this plan submit daily, weekly or semi-monthly reports of actual sales, prices, and the identity of the buyer or seller of the shares concerned.

Every report automatically becomes a check against another report since there must be a buyer and seller to every transaction, and the net result is an equally effective check against the published "bid and asked" figures issued by brokers for public consumption.

There is no intention on the part of the Securities Commission to use such information for public dissemination if this plan is adopted, it is understood. But, on file with the commission, the information will serve as a powerful brake on improper market operations, pool or wash sales that might artificially affect share prices, and as a safeguard against incorrect or inaccurate published quotations.

Clerical Work is Factor

There is at least one obvious disadvantage in the plan. While the vast majority of reputable brokers make every effort to provide the public and their own clients with correct unlisted quotations, yet like less scrupulous brokers they must shoulder additional clerical work in compiling government information and forwarding it to the Ontario Securities Commission.

The commission itself, receiving independent reports from all brokers, likewise faces a heavy clerical and statistical task in tabulating, coordinating and filing the information. From expressions of opinion gathered in government circles, the clerical work involved is not, however, regarded as a serious obstacle when the benefits of such a system are considered.

As yet developing along two distinct lines, the new system of unlisted security trading may eventually combine both the plans of brokers and the ideas of the securities commission.

With a central clearing house, the desired record of sales and transactions is automatically created.

Both the clearing house and the government commission would thus have easy access to data which otherwise must come from hundreds of separate sources in the province, and which at present is only vaguely provided in "bid and asked" quotations.

The probable outcome, with establishment of the clearing house, is indicated by the sympathetic attitude of the securities commission toward the proposal.

Existence of a clearing house, brokers believe, will go far toward improving conditions in unlisted securities markets, and creating the same degree of public confidence in unlisted trading facilities that exists already in the case of the recognized listed exchanges.

Seek to Incorporate Domestic Finance Corp.

Application will be made to the Dominion Parliament at this session for an act to incorporate Domestic Finance Corp. with capital stock of $500,000, divided into 5,000 shares of $100 each.

The application is to be made by Joseph Barnabe, financier, Hull; Auguste D'Amour, hotelkeeper; Joseph Moyneur, merchant; and Joseph Paul Labelle, barrister, all of Ottawa. The head office would be in Ottawa

For the Bondholder

Ontario, C.N.R. Bonds

Province States Policy to Honor All Debt — Dominion-Guaranteed Bonds Not in Danger

Some holders of Ontario and of Dominion-guaranteed C. N. R. bonds still appear to be under misapprehensions regarding the outlook for the security in long term issues.

One investor expresses a typical viewpoint in a recent letter to The Financial Post, as follows:

"I hold $3,000 of Ontario five per cent bonds of 1960. I wonder whether it would be advisable to change for Dominion 4½ per cent bonds, due 1959. There would be a premium on sale of the Ontario bonds. I am afraid of the Ontario government reducing the rate of interest.

"I also hold $4,000 of C. N. R. five per cent bonds of 1954, and I am also wondering whether to change them for the Dominion 1959 bonds. I know they are guaranteed by the Dominion, but the C. N. R. is such a white elephant for the government that if anything has to go I feel the C. N. R. bonds would be the first."

Return Good Yield

Since the five per cent Ontario and C. N. R. bonds are returning a satisfactory yield on the original investment, the only solid reasons for selling them would be either that reduction of the interest rates is certain or that more profitable use can be made of the money. Neither of these reasons is apparent.

The Financial Post's understanding from reliable authorities is that Dominion of Canada bonds are not to be included in any voluntary or involuntary conversion programme. There is a prospect that some provincial bonds may be converted at lower rates of interest. Premier Hepburn's idea, however, is that Ontario bonds will not be converted at lower rates of interest, unless something of this kind is done by other provinces on a national scale, which is unlikely at present. Officials of the government state that the province will meet every obligation in the terms in which the debts have been contracted.

Cost of Exchange

In exchanging the Ontario bonds for the Dominion issue there would be some loss of income. You could sell the Ontario bonds for better than 114, but would have to pay nearly 110 for the Dominion issue. It is true, however, that if Ontario were to offer a conversion of its five per cent bonds, due 1960, the price of these would probably have declined by that time.

There does not appear to be any good reason for disturbing the C. N. R. bonds. These are unconditionally guaranteed by the Dominion and are non-callable. Since the Dominion does not intend to have any conversion of its securities, or of its guaranteed bonds, the C. N. R. issues appear to be clear of the conversion trouble.

Ontario's finances and the affairs of the C. N. R. are sorely in need of major improvement. The Ontario government promises to balance the ordinary budget and the security for the C. N. R. bonds is the Dominion guarantee, not the road's deficits. Since reinvestment of the funds in other comparable bonds would produce no increase in income, it is difficult to see what advantage there would be in the proposed switch.

United Credit Ass'n Applying for Charter

Application is to be made to the Dominion Parliament for an act to incorporate a financial company under the name United Credit Association.

Authorized capital stock would be $200,000, and the head office would be in Winnipeg. The notice of application is made by Luxemberg and Levinter, Concourse Building, Toronto.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Hamilton, Ont.	Feb.	Royal Securities, Imperial Bank, Dominion Bank, Harrison & Co.	...	20-yr.	$531,775	97.48	3.78%
			...	10-yr.	1,561,000	97.73	3.45%
Montreal Cath. Sch. Comm.	Feb.	Bk. Can. Nationale and syndicate	3½%	1942	1,800,000	....	.....
			4%	1946	1,500,000	*100.50	3.93%
			4%	1948	2,000,000	*100.25	3.97%
Corp. of R. C. Bishop of Saint John, N.B.	Feb.	T. M. Bell & Co.	4%	1951	75,000	*100.00	4%
Dominion— Canada Treasury Bills	Feb.		...	May 15, '36	20,000,000	99.74	1.0554

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Class	Amount	Price	Yield
Split Lake Gold Mines	Feb.	Direct	...	....	2,660,000 sh.	25c	....

*Offering price.

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In and out the Port of Vancouver a steady stream of deep sea vessels carry Western Canada's products to world markets, bringing materials and merchandise for distribution throughout Vancouver's hinterland, Western Canada. This steady trade flow is the main reason why Vancouver is Canada's BEST all-year market. Never frozen, always active—Vancouver trade is constantly on the go, a sure spot on which to concentrate for more sales.

Retail Sales Per Capita in B.C. Lead All Canada

Trade figures from Ottawa show retail merchandise sales per capita in British Columbia $360, followed by Ontario $320, Manitoba $270, Alberta $240, Quebec $210, Maritimes $200. Reason for British Columbia's leadership is diversified production, high standard of living and concentration of over half the entire population of B.C. within the Greater Vancouver Retail Trading Area — 360,000 persons. Third in size, Vancouver is Canada's FIRST all-year city market.

More Income Tax Paid in Vancouver Than in SIX Western Cities COMBINED

Income Tax collections from Vancouver, 9 months 1935 were $4,869,916. The total collections from Winnipeg, Saskatoon, Regina, Calgary, Edmonton and Fort William combined were $3,726,880.

1,000,000 Tourists for Vancouver's Golden Jubilee Year

50 years old, Vancouver is this year celebrating its Golden Jubilee Year. An extensive continent-wide Publicity Plan is under way and from July 1st to September 30th a monster celebration program is slated with pageants, sport events, elaborate illuminations of famed Stanley Park, championship Golf Tournaments, and hundreds of special attractions making the city en fete every day of the celebration period. Millions of dollars of new money will be circulating in Vancouver this year, making this city the high spot for new business in Canada.

Outstanding in its community work developing Vancouver as the distribution base for Western Canada, spokesman for Vancouver's aspirations, and taking a leading part in promoting Vancouver's Golden Jubilee celebration, the Vancouver Sun is truly Vancouver's home newspaper. It is the newspaper to which Vancouver people look for leadership. It is the newspaper that sells them their goods.

THE VANCOUVER SUN

Vancouver's HOME Newspaper

The Financial Post

Member Audit Bureau of Circulations

Editor—FLOYD S. CHALMERS

Business Manager—D. M. GOWDY

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TORONTO, FEBRUARY 22, 1936

For Balanced Development of Canada

RECENTLY in a small group in Toronto two men got into a discussion. One was a free trade western farmer. The other was head of a great protected industry selling a large proportion of its products to farmers. (It has not sold them much in recent years.)

Such discussions are never wholly futile, although long distance debates between farmers and industrialists tend to be so. The western farmer usually points out that he sells all his products in a world market and must take the world price. But he buys in a protected market. When his prices fall, and industrial wages, prices of manufactures, railway freight rates and interest charges do not respond because they are more or less protected by tariffs, union regulations, industrial codes, etc., he suffers untold injury and injustice.

The manufacturer says that our industries are here; that they provide employment and add to our national wealth; that it would not be wise or economic to destroy them; that the poverty of the farmer is no excuse for putting industrial workers on a basis of slave wages; that industry is building up a home market for the farmer; that the country must have a balanced development; that the farmer's trouble is due more to tariffs elsewhere than to tariffs here; that the farmer is now being exploited but he was the exploiter in the H. C. of L. era of war and post-war farm prices; and so on.

The particular discussion referred to went through all these usual preliminary stages but finally ended up with both the farmer and the industrialist in substantial agreement on two points. First, that in our efforts to achieve balanced development in Canada we had not been wholly successful; that we had in fact developed many of our industries too rapidly; that the remedy was not, however, to destroy those industries but to slow the pace of industrial development until great balance had been achieved. And, second, that the farmer's problems should not be further intensified by legislation designed to add further rigidity to the structure of prices and wages in Canada.

Recently Sir Edward Beatty made a statement that should always be kept in mind in any discussion of the economic and fiscal policies of Canada. As quoted approvingly by Senator W. A. Buchanan in the Senate, he said:

> "Businessmen, too, had failed by not impressing on the people at large that Canada is primarily an agricultural community and that industrial capital and labor in Canada could never for long earn profits and wages greatly out of proportion to the profits or wages of agricultural capital and labor."

A not unsimilar statement recently came from an outstanding industrialist, A. O. Dawson, of Montreal, who delivered the presidential address at the annual meeting of the Canadian Chamber of Commerce. Mr. Dawson is president of Canadian Cottons, a protected industry against which farm leaders often rail. But he said in his address:

> "The farmer should receive a higher return for the fruits of the soil and more markets should be made available for him. Until agriculture is in a healthy and happy state, business can never be truly prosperous."

Most farmers would agree with Mr. Dawson, but would go further, just as R. A. Wright, of Drinkwater, Sask., did rather bluntly, shortly after Mr. Dawson had spoken. Said Mr. Wright:

> "We are dependent upon the markets of the world as an outlet for our wheat and cattle.
>
> "The only way that these markets may be obtained is by a downward revision of tariffs to allow a free exchange of goods; a reduction in tariff duties will go a long way to modify western discontent.
>
> "Whenever industry is ready to follow the theory of freedom to its logical conclusion we believe agriculture will be the first to fall in line."

Mr. Wright is not an extremist. But there are such in Western Canada just as in the East.

E. J. Young, former M. P. for Weyburn, is an outstanding exponent of free, unregulated competition. He has been urging in a series of addresses in Eastern Canada that all forms of state or monopoly paternalism be abolished. With obvious reference to the tariff, to industrial codes, to price-fixing combines, to fixed railway rates, he said:

> "Canada is essentially an exporting country. We produce a limited variety of products and produce them in large quantities. One fifth of our people are entirely dependent on the export market.
>
> "The other four fifths are partially or indirectly dependent on it. The domestic price of our exportable products is determined by the world price of the same products. We cannot control the world's price, common sense demands that we accept the world price for our exports and endeavor to bring all other prices into line with it."

His address brought a retort in the Senate from Opposition Leader Meighen who made it clear that Mr. Young's whole structure of political autonomy rested upon one premise—a free market for labor. But are we prepared to admit and legislate the doctrine of a free market for labor? Mr. Meighen thought not.

So the argument goes on — endlessly, much of it special pleading, much of it instigated by propaganda from pressure groups, East or West; little of it seeing Canada as a nation: most of it seeing Canada as a coterie of competing interests.

There are people in Canada who are forced by their daily work to observe Canada as a national whole. Such are the heads of our railways and our banks which serve both primary and secondary producers, and the consumer into the bargain. Such, too, should be the economists in our universities. What a splendid thing it would be if these men who are, or ought to be, independents in matters of tariffs and other fiscal policies, were to undertake a major unbiassed survey of our national development. There would be many questions for them to ask and to attempt to answer.

Have we gone in too heavily for grain growing? Are we overindustrialized in secondary industries?

Who gains the benefit of our tariffs? And what is their incidence?

How profitable is it to be constantly dipping into the treasury to provide offsets to the tariff in the form of wheat bonuses, fuel subsidies, sectional railway rates, etc.?

Is our fiscal policy a patchwork quilt? For that matter could it be anything else but that?

Five years devoted to such a comprehensive study would start many arguments but it might bring many others to an end. Present discussions on the tariff and similar measures of economic control are usually one-sided. It is foolish to talk of measures that would destroy the livelihood of industrial workers. It is equally foolish to ignore the agricultural foundation of our industrial prosperity. The essential thing is to discover how we can balance our industrial and our primary development.

Holding Up Construction

THERE are plenty of suggestions going around for the encouragement of construction in Canada. A revival of building is highly desirable, for in a young country like Canada true prosperity must rest upon substantial activity in engineering and construction developments.

It cannot be argued that opportunity for the investment of money for new enterprises is lacking. Obsolescence alone has given us a backlog of needed developments.

Why does construction not go ahead? Two major reasons are excessive taxation and governmental efforts to increase the wage cost in construction.

These were referred to by W. G. Watson, general manager of the Toronto General Trusts Corporation, at the recent annual meeting of that organization. He pointed out that last spring there were signs of revival in the great building and construction industry. But then the industry was given a serious set-back by the passing of the Ontario Industrial Standards Bill which added materially to the cost of business through a sudden increase in wages and reduction in hours. Mr. Watson added:

> "This had the immediate effect of setting up a further sales resistance at a time when builders and buyers were just beginning to come back into the market which quickly reacted upon labor and the industry generally.
>
> "No far-seeing individual will begrudge labor the increase in wages which this Act provides. The question at issue is not the increase but the psychological time in which to impose it—which is surely not when the wheels of industry are just beginning to revolve again after long idleness but rather when some acceleration has taken place and the demand has assumed volume, as surely it will if given a chance to speed up."

Mr. Watson pointed out that real estate, in particular down town business property, is already burdened with taxes which in many instances cannot be met out of the rent, much less provide an income for the owner. It must be obvious to everyone that if taxes are so high that property investments cannot profitably be made there is little encouragement to new building activity.

Our Wheat Problems

THERE has been a decidedly more optimistic turn in the wheat business ever since the new board with its wheat selling policy started work last December. Probably 75 million bushels of wheat have been sold in Winnipeg during the last six weeks. Notwithstanding this large volume, prices as revealed by The Financial Post chart on the grain page have been remarkably steady. Canada's total supply of visible wheat in commercial storage has declined sharply, crossing the 240 million mark fully a month ahead of a year ago.

But problems still remain, sufficient indeed to give the Canadian wheat conference called for Winnipeg next week by Hon. W. D. Euler, Minister of Trade and Commerce, plenty of scope.

Since the new policy of selling Canadian wheat at world prices was adopted, it has been found that this inducement alone was not sufficient to restore sales to the old time volume. During the era of holding up Canadian wheat, buyers in Great Britain and other parts of the world discovered that they could get along with a lower grade at a reasonable price. Bakers found that flour produced from such wheat would make a loaf of bread, not as palatable as that from all-Canadian, perhaps, but palatable enough to sell. Opposition of this kind must be broken down.

The flour situation, too, needs looking into. Export volume is only about half that of a few years ago. After steady gains since September last, exports fell off sharply in January. Canadian flour often forms the spear head for Canadian wheat in foreign markets, and every barrel of flour sold represents 4½ bushels of wheat.

Other wheat problems calling for investigation at this time include the provision of seed for last year's rust and drought damaged areas, new commercial uses for wheat, the development of rust resistant varieties and recognition of the fact that while some areas are adapted almost entirely to the production of the high grade wheat, others might and should be growing something else.

Where Aberhart Excels

AN AUTHENTIC tale comes from an Alberta farmer about the thrifty administration that the Social Credit government under Premier William Aberhart is giving Alberta.

The farmer sent a bill to Edmonton asking the government to pay him a rebate for gasoline used last year for farm purposes.

The government complied. However, instead of cash, the farmer was given a credit note to apply against a debt of $300 he had owed the government for over 14 years on account of feed and seed relief.

The farmer's reaction was one of regret mingled, however, with admiration. People who understand the fallacies in Mr. Aberhart's proposed "Social Credit" whirligig have a similar reaction. They regret Mr. Aberhart's damaging proposals of a monetary magic. But if they are fair, they must admire Mr. Aberhart for his efforts to improve administration of government affairs.

Last of the Leviathans

SHORTLY the Queen Mary will be making its maiden voyage across the ocean. The largest ship afloat, it will mark a new peak in size, speed, luxury and comfort.

Yet it may be that the Queen Mary will be the last of the great ocean leviathans. Other nations with maritime ambitions, particularly Japan and the United States, are content to leave the blue ribbon for size and speed in the hands of the British ship-owners and to concentrate on a new type of vessel called by some "Ford cars of the ocean." Making use of light-weight alloy steel and aluminum alloys, smaller and faster ships capable of being more readily adapted to seasonal trends in shipping are forecast.

Editorial Notes

The Canadian Countryman lists twenty objections to industrial codes. And there are still a few missing.

* * *

The Saint John Telegraph-Journal has an editorial on "recorded evidence" on the matter of Canada's constitution. In the editorial it reproduces half a paragraph from The Financial Post and makes eleven separate mistakes in doing so. This ought to be worked into the record somewhere.

Sayings of the Week

"Frankly, I do not understand British policy." —*Benito Mussolini.*

* * *

"The fact is, education has not kept up with the times."—*Philip Cabot.*

* * *

"We can do well without butter, but not without guns."—*Dr. Goebbels.*

* * *

"Men and nations are saved by goodwill, not by machinery."—*Dean Inge.*

* * *

"What I like to hear is, 'Mr. Ingram, 'ow are yer?' "—*The Bishop of London.*

* * *

"Public life is only worth while when you are able to say what you think."—*George Lansbury.*

* * *

"We are drifting toward another world catastrophe worse even than the last." — *Viscount Cecil.*

* * *

"Capital should find its proper function in developing rather than controlling the life of men."—*Beni Prasad.*

* * *

"Research, mass production and low prices are the offspring of business bigness and its only justification."—*Bruce Barton.*

* * *

"Before the Bourbons left their throne the value of money had been taught in the schools of France."—*Martin J. Broderick.*

* * *

"Once I nearly lost my eye with a Christmas cracker, but I never lost it with a gun."—*Vickers' manager, Sir Charles Craven.*

* * *

"Profit is legitimate in economic enterprise as a means of self-expression. It demands regulation rather than abolition."—*Beni Prasad.*

* * *

"I believe the government should be given due credit for robbing everybody with the utmost impartiality."—*William Randolph Hearst.*

* * *

"The U. S. and Great Britain are the only two countries where people prefer a good sleep after lunch to a fight." — *Philip Guedella, British author.*

* * *

"All of the forces for evil are certain to use propaganda. It is their most powerful weapon." —*William Brown Meloney, economic commentator.*

* * *

"One of the most sinister aspects of the tax situation is the effort of clever politicians to persuade the wage earner that he pays no taxes."—*Edward E. Loomis.*

* * *

"The quality of a country's hospitality is a measure of its standing among the nations of the world." — *Fred J. Ney, secretary, Canadian National Council of Education.*

* * *

"Do not think for one moment that people cannot discriminate between an honest and a dishonest newspaper."—*Col. Frank Knox, publisher of the Chicago Daily News.*

* * *

"Upon the management of broadcasting stations rests the responsibility to see that both sides of a matter affecting the national welfare are given a fair opportunity to utilize the facilities of radio."—*David Sarnoff, president Radio Corp. of America.*

In the Mail

Directors' Fees

Editor, The Financial Post:

While a large number of corporations have resumed dividends, there are a great number who have not; and have paid none for four or five years. At the same time, directors' and executives' fees of $25,000 to $50,000 are being paid as usual, as if dividends were earned. There is a strong feeling that this is not fair or just, and stockholders are urging now, in all fairness, that these fees should be modified, till earnings return and dividends are paid.

What do you think?

INVESTOR.

St. Thomas.

"From the Housetops"

Editor The Financial Post,

May I call attention to an article in your issue of February 8?

The truth it contains should be proclaimed from the housetops all over Canada and the United States.

I wish I had the money to spare to publish the article as a full page advertisement in every newspaper in the two countries.

Every man, woman and child should read it.

The article is headed "Western Equality" and the author is R. A. Wright, president, Western Canada Livestock Union.

Daylight will begin to dawn in the troubled economics of the world when the truths here uttered by Mr. Wright sink into the consciousness of the masses.

A. C. ANDREWS,

Minneapolis, M.

Self-Denial for Communities

Editor, The Financial Post:

Your paper is, I would say, a gigantic stabilizing factor for common-sense progress. Sometimes I think boards of trade are given to advocating some splendid features which, while good in itself, would have a very bad effect on some other utility at present functioning and giving good service and paying its way. I have in mind this moment the proposed—in fact, often proposed—gas for the City of Regina versus the present paying-its-way public utility, the city power plant.

If a self-denial of a sort could be brought into the picture with a wider examination of general results before making additions it would perhaps result in better business. Good wishes.

Albert A. Urquhart.

Regina.

Repudiation of Debts

Editor, The Financial Post:

Occasionally we find a Liberal paper printing an article on Hydro like the Huron Expositor. That paper seems well pleased that the Ontario government took from the Ontario bondholders twenty million dollars. It apparently doesn't matter how the government got this money or what harm it did to the credit of the province. It is a ridiculous argument to suggest how many millions of dollars a province might save as a consequence of repudiation. Everyone knows that the Dominion government could do the same thing with the Canadian national debt. But such a thing is unthinkable.

The question is: what is the price of our integrity? Take for instance Mr. Hepburn's actions on the Beauharnois Power Corporation. As a member of the House of Commons he was a party to, and must therefore take his share of the responsibility for, the birth of this company. While he and his cabinet are wholly responsible for the ruin of the same, yet he hasn't put forth a single effort to help the many bondholders that he has ruined by wrecking the company. No wonder so many of his party are so disgruntled.

READER,

Alliston.

Welsh Coal Enquiry

Editor, The Financial Post:

You say in the article under the headline, "Coal History," "that the evidence at the trials clearly disclosed that the real combine in Welsh anthracite, if such exists, is in the United Kingdom, not in Canada."

Your assertion of the meaning of the evidence at the trials is clearly a misapprehension in face of the well known fact that the charge against the combine, and proven in the courts was based upon the unreasonable price-spread between Montreal, and such other cities, as for instance, Ottawa.

England had no concern in the proven guilt of the combine. Coal prices in that country are established by competition, and exploiting combines are unknown there. The writer lived for many years in Britain, and knows the people.

Shall The Financial Post depart from its record of correctly stating the facts?

MALCOLM CAMERON,

Ottawa.

Editor's Note. The judgment of Justice Laliberté, delivered December 12, 1933, showed among other points that Amalgamated Collieries, Ltd., a British company, controlled around 70 per cent of total Welsh production and that there would have been keener competition in Canada had not certain clauses been incorporated into the basic agreement between the accused Montreal firms and the Amalgamated. Lengthy extracts from the judgment, as published in The Labour Gazette of January, 1934, make no reference to unreasonable price spreads between Montreal and other cities.

As Others See Us

Freight Tonnage

Halifax Chronicle

The Financial Post has a graphic drawing showing the relative size of the freight traffic carried by the railways during each of the last four years, the comparison in size being made with four of the main products carried by the roads. In 1932 agricultural products provided the greatest tonnage, but in 1935 agricultural products had fallen to third place. This is, of course, primarily due to the stoppage in the export of wheat. The wheat is now being sold and in very considerable volume, so that the relative position of this item may quickly change. In the four year period, mine products, which in 1932 were in second place, in 1935 were an easy first, having almost doubled in tonnage in the four years.

We can only give the relative figures for the four years in figures expressed in millions of tons. The freight tonnage of the four products in millions of tons were—

	Mineral	Agric.	For.	Mfg.
1932 ..	12.30	16.0	5.00	9.4
1933 ..	12.03	13.8	5.50	9.0
1934 ..	16.20	13.8	7.06	10.9
1935 ..	22.80	13.9	8.10	18.5

With the selling of the huge volume of wheat which is held in Canada, the freight tonnage of agricultural products should soon rise, and with the work given in consequence to other industries, there will doubtless be an appreciable effect in other lines.

Closer to the People

Moose Jaw Times Herald

The Brockville Recorder-Times thinks that relief administration in the smaller centres is in the main economically conducted without the abuses that have shown up in the large centres.

The Financial Post (the Toronto publication) freely admits there is merit in this contention, shown by the fact that about 50 per cent of the relief payments are being made in the larger cities that have only about 25 per cent of the population.

We agree with The Financial Post's arguments, and would like to draw its attention to the fact that these arguments effectively meet and destroy its contention that there should be fewer provinces in the west. "As governments grow they lose their contact with the people" applies to provinces as well as to cities. Prince Edward Island, the smallest province in Canada, still holds the blue ribbon for low taxation. Only in the maritime provinces is there any justification for amalgamation; and this because of their geographical situation and economic problems; and not because of excessive costs of the present three governments as compared with any one of the larger governments for the larger provinces.

Other People's Views

Alberta Still Waits

Winnipeg Free Press

Mr. Manning, provincial secretary in the Alberta cabinet, yesterday touched a new high in political candor, though perhaps not on purpose. Mr. Manning says the Aberhart government will not start social credit at this session of the legislature, but will be "concerned only in sound, progressive legislation." The distinction is sound though no doubt Mr. Manning made it accidentally.

Alberta has been waiting nearly six months now for its $25 a month for everyone and Mr. Aberhart himself has intimated that it may take him longer than his stipulated year and a half to get the handouts started. The recent drafting of recall legislation by his followers may indicate that they do not expect public patience to last much longer. One thing certain is that the breakdown is only a matter of time. Alberta cannot reverse the natural law that "something for nothing" is impossible.

Life Insurance Advertising

Edmonton Journal

Newspaper advertising is designed primarily to sell something. It takes many forms. Sometimes the appeal is direct; sometimes it is designed to instruct, so that the reader may understand better the value of the commodity offered. Among the latter is one type that has become known as institutional advertising. One of the best known examples of institutional publicity is that which, during the past sixteen years, has kept the work of the life insurance companies of Canada before the nation.

During the past year this particular series of advertisements has been directed particularly to informing the public of the fundamentals of a business that intimately touches the lives of millions of Canadian men and women; of the actual relationship between companies, policyholders and beneficiaries, and of the value of life insurance to the nation as well as to the individual.

Cleaning Up Labatt Case

London Free Press

One more step has been taken to clean up the Labatt case with the conviction of Russell Knowles.

The trial of Knowles should put an end to the rumors which have cropped up from time to time that it was an inside job and that it was a publicity stunt. Anyone who knows John and Hugh Labatt, and their reputations as citizens of London, is aware that they would not stoop to such an outrageous thing. The evidence was overwhelming against such an insinuation. Both the judge and the jury made it clear that their hands were clean. The last should be heard of such tales.

What is more only those who have been intimate with the Labatts and their families during the past year and a half can realize what they have suffered. It has been 18 months of torture for the Labatt families.

Holding The Bag

The Toronto Globe

A news report states that Orillia is confronted with a tax-rate increase of more than two mills because a rubber company failed. The real reason is that Orillia departed from sound policies a number of years ago—as did many other municipalities in the same way— and subsidized the company with a loan of $50,000. The ratepayers approved the arrangement, as the company agreed to provide employment for seventy-five persons. Apparently the town is now left "holding the bag."

Stop Me If You've Heard This One

The vicar had received a couple of tickets for the opera from one of his parishioners. Finding that he was unable to go, he rang up some friends and said: "An unfortunate dinner engagement keeps me from attending the opera tonight; could you use the tickets?"

"We should be glad to do so," was the reply, "but we are your unfortunate hosts."

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J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
Chartered Accountants
TORONTO - KIRKLAND LAKE

Statement of
The Acadia Trust Company
For Year November 30th, 1935

ASSETS

Capital Account:		
Government and Provincial Bonds	$ 358,796.00	
Government Guaranteed Bonds	235,394.90	
Municipal Bonds	132,244.50	
Other Bonds	46,039.12	
Stocks	1,441.50	
Mortgages	90,134.26	
Cash, Truro and New York	34,501.92	
		$ 898,552.20
Guaranteed Funds:		
First Mortgages Principal	$ 48,767.95	
Interest Accrued	418.00	
Amount of loans secured by Bonds and Stocks	17,750.62	
Book Value of Bonds and Debentures	708,495.64	
Accrued Interest on Bonds	8,711.10	
Cash on Deposit in Chartered Banks	79,768.18	
		$ 863,911.49
Estates, Trusts and Agency Funds		5,740,937.94
		$ 7,503,401.63

LIABILITIES

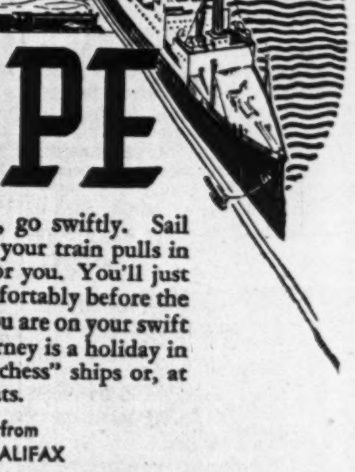
Capital Account:		
Capital	$ 200,000.00	
Reserve	600,000.00	
Reserve for Taxes	10,000.00	
Sundry Accounts Payable	4,289.05	
Profit and Loss	84,263.15	
		$ 898,552.20
Guaranteed Funds		863,911.49
Estates, Trusts and Agency Funds		5,740,937.94
		$ 7,503,401.63

PROFIT AND LOSS

Cr.		
Balance at Credit November 30th, 1934	$ 49,482.40	
Interest, Commission, Fees, etc.	84,610.29	
		$ 134,092.69
Dr.		
Expense Account	$ 29,829.54	
Dividends	20,000.00	
		$ 49,829.54
Balance at credit Profit and Loss November 30, 1935		$ 84,263.15

I have audited the books and Accounts of the Acadia Trust Company for the year ending November 30th, 1935. I have also examined the Bonds and Vouchers and have had the loans verified. I certify that the above Balance Sheet shows the correct state of the company's affairs according to the best of my information, and the explanations given me and as shown by the Books.

E. H. ABBOTT, C.A., Auditor.



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Week in Business

British View Business Prospects

* * * *

International Sky Still Cloudy

Few business commentators have the reputation for accuracy and sagacity achieved by the quarterly business barometer of the Federation of British Industries. Its business forecast for the first quarter of 1936 is therefore of interest as an authoritative British view of the current outlook.

In brief it points to the fact that the new year has started auspiciously with recovery in full swing in Great Britain, and many other countries also participating, notably Hungary, Czechoslovakia, Belgium and Austria, in Europe. Empire countries and South America are mentioned specifically as benefitting from the rise in prices of primary products.

* * * *

"The international sky," it reports, "is still overcast by many clouds. The collapse of President Roosevelt's 'New Deal,' the serious exchange crisis in France and the absence of progress in most of the other bloc countries, the slowing up in Germany and the circumstance that expenditure on armaments is playing such an important part in maintaining activity are especially disquieting features."

* * * *

As indicated by The Financial Post monthly index of business, the trend during January was somewhat uneven with a small net gain being shown in preliminary returns as a result of exceptional strength in mining activity and in foreign trade. Compared with a year ago Canada's exports to all countries were higher by 22 per cent and our imports by 9 per cent. Chief export gains include a 50 per cent increase in wheat exports; a 260 per cent rise in foreign shipments of automobiles and parts and higher mineral exports.

Business Indicators

Changes of the Week

Favorable:

Building Permits—Despite customary seasonal decline, January permits in leading cities rose 45 per cent over the same month last year. But total of $1.3 millions still far below ten-year average (1922-1931) of $5.9 million.

Foreign Trade—Gains in both imports and exports are recorded for January. Early figures show the gain in exports is largely due to improvement in sales abroad of wheat, automobiles and minerals.

Other Gains—Imports of cotton and of crude petroleum, meltings and shipments of raw sugar; newsprint production.

Unfavorable:

Carloadings—Unfavorable trend continues compared with last year though weekly figure shows first important gain in four weeks.

Other Declines: Weekly gross earnings of railways; manufacture and domestic shipments of refined sugar; plank and board exports; imports of raw rubber.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest—		—Cumulative Total— Jan. 1 to date	
	1936	1935	1936	1935
Transportation—				
Car loadings (Feb. 8)	▲41,567	44,880	234,835	248,806
C.N.R. gross earn. (Feb. 14)	$▲3,047,278	$3,084,760	$18,394,895	$18,195,336
C.P.R. gross earn. (Feb. 14)	$▲2,184,000	$2,248,000	$13,688,000	$12,196,000
Business Conditions—				
Weekly index D.B.S. (Feb. 8)	▲104.7	100.3	......	......
	MONTHLY DATA			
Business Conditions—	1935	1934	1935	1934
Financial Post index (Jan. '36)	109.7	97.1	......	......
Transportation—				
C.P.R. net earnings (Dec.)	$3,306,013	$3,171,408	$22,397,523	$24,384,023
C.N.R. net revenue (Nov.)	$2,335,158	$1,700,014	$12,130,957	$11,651,947
Iron and Steel (Dec.)—				
Pig iron production (tons)	70,647	42,364	599,794	404,995
Steel ingots and castings prod. (tons)	98,888	58,732	935,682	757,782
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Nov.)	5,180	1,155	77,602	59,854
Factory output (Dec.)	11,370	1,953	139,681	92,157
Trucks and Buses:				
Domestic sales* (Nov.)	805	556	16,729	11,322
Factory output (Dec.)	2,405	779	33,253	24,733
Exports (Dec.)	13,775	2,694	172,934	116,852
Construction—				
Building permits (Jan. 1936)	$▲1,283,716	$882,878	......	......
Contracts awarded (Jan. 1936)	$13,610,400	$10,220,100	....	....
Newsprint (tons)—				
Production (Jan., 1936)	▲227,955	201,959	......	......
Exports (Dec.)	277,743	245,135	2,574,967	2,399,606
Sugar (lb.)				
Melting & shipments§ (raw)	▲21,055,285	17,133,660	......	......
Manufactured§	▲24,044,674	29,801,281	......	......
Flour (bbls.)				
Production (Dec.)	957,219	953,205	14,208,802	14,655,062
Wheat flour exports (Dec.)	443,828	340,751	4,881,057	5,053,732
Trade (December)—				
Retail trade (index no. of sales)	76.8	71.1	......	......
Imports (Jan., 1936)	$▲40,590,276	$37,229,405	......	......
Exports (Jan., 1936)	$▲54,417,324	$43,901,826	......	......
Wheat exports (bush.) (Dec.)	17,043,882	17,336,206	165,173,111	167,912,369
Employment, D.B.S. Index (Jan. 1)—				
All industries	99.1	94.4	......	......
Manufacturing	96.8	91.3	......	......
Electric Power Output (Dec.)—				
Total monthly (000's omitted)	2,156,525	2,052,940	22,039,822	19,910,723
Aver. daily	69,565,000	66,224,000	....	....
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (Jan., 1936)	▲72,236	75,191	......	......
Boot & shoe prod., pr. (Dec.)	1,565,986	1,170,010	21,712,686	18,491,817
Crude petrol., imp. gal. (Jan. '36)	▲61,131,249	59,948,284	......	......
Cotton imports, lb. (Jan. '36)	▲19,939,607	11,068,000	......	......
Raw rubber imp., lb. (Jan. '36)	▲3,938,272	5,980,505	......	......
Coal imports, tons (Dec.)	800,581	783,685	13,009,098	13,813,657
Finance—				
Bank debits (Dec.)†	$2,932,304	$3,040,167	$31,546,066	$32,866,673
Bond sales (Jan., 1936)	$▲133,657,114	$19,226,500	......	......
Life insurance sales (Nov.)	$35,158,000	$35,863,000	$332,836,000	$342,023,000
Automobile Financing—				
Used cars (Dec.)	$942,024	$603,813	$17,931,608	$13,726,728
New cars (Dec.)	$1,285,656	$456,180	$22,410,656	$16,364,735

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to Jan. 25, 1936.

New Wholesale Trade Index Shows 5 Per Cent Gain in 1935

A new monthly service has been inaugurated by the Dominion Bureau of Statistics to show current trends in wholesale trade. For some years the Bureau has published monthly data for sales of chain and department stores. The new series will provide somewhat similar monthly data for wholesale trade.

British Columbia leads all provinces with an increase of 8.6 per cent, the prairies were second at 6.8 per cent increase, while sales in the Maritimes were maintained at the level of the preceding year.

Percentage Changes in Wholesale Sales

	Percentage change 1935 compared with 1934		
	1935-1934	Dec. '35 Dec. '34	Nov. '35 Nov. '34
(a) By types			
Auto. equip.	+6.2	—13.6	+ 6.6
Drugs	+6.4	+11.5	+ 4.6
Clothing	+4.8	+23.1	+10.1
Footwear	+8.0	+38.2	+16.5
Dry goods	+2.0	+ 7.3	+ 2.5
Fruits & vegetables	+5.8	+ 5.4	+ 4.5
Groceries	+5.2	+10.9	+ 8.6
Hardware	+7.0	+ 8.5	+ 6.8
Tobacco and confectionery	+6.7	+12.5	+ 5.5
(b) By areas			
Maritimes	+0.4	+ 5.8	+ 7.9
Quebec	+4.7	+20.2	+ 5.5
Ontario	+3.8	+ 7.8	+ 4.0
Prairies	+6.8	+ 6.0	+ 5.7
British Columbia	+8.6	+ 7.7	+19.9
Canada	+5.3	+ 9.7	+ 6.9

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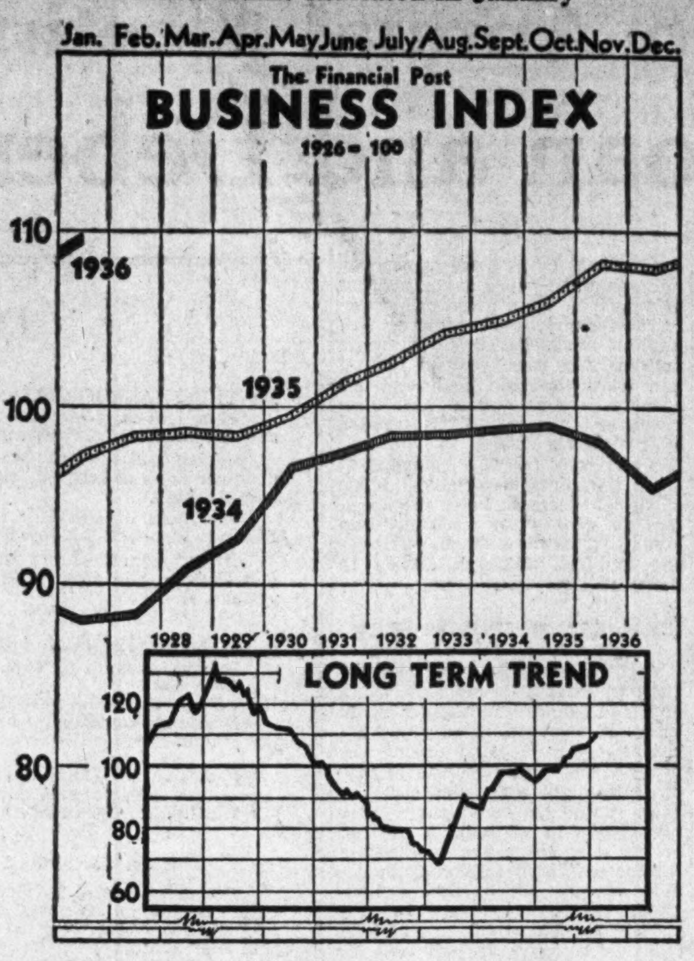
Further Gains Indicated in January



Despite falling off in many lines of activity during January, The Financial Post business index in preliminary form indicates business activity was maintained slightly above the December level due to strength in mineral and foreign trade factors.

Background of Business

Wage Rates Lower

Railways Largely Responsible — Rents Rising — Steamship and Travel Prospects Viewed

A gain of 3 per cent in wage rates for selected types of common and skilled labor during 1935 is reported to The Financial Post this week by the Department of Labor at Ottawa.

Most important increase during the year was in steam railways where wage rates increased 5.8 per cent. Building wage rates gained 3.2 per cent, while in logging and sawmilling the increase was 4.9 per cent.

Comparative wage rates for the past three years is shown in the following table. The base of the index in each case is 1913 which equals 100.

	1935	1934	% incr. 1934-35	1933
Bldg. trades	159.8	154.8	3.2	158.0
Metal trades	169.7	168.0	.9	169.2
Printing trades	184.5	183.5	.6	184.3
Elec. rys.	183.7	182.4	.7	182.7
Steam rys.	183.9	173.7	5.8	179.7
Coal mining	165.8	162.9	1.1	161.9
Av. unweighted	174.6	170.9	2.1	172.6
Av. weighted	172.4	167.1	3.1	170.2
Common factory	174.9	170.8	2.4	168.1
Misc. factory	184.7	180.5	2.3	175.7
Logging & sawmilling	152.3	145.1	4.9	121.7
Gen. av. weighted	175.4	170.5	2.9	168.3

* * *

Rents Rising

For the second successive year, rents in the west end of Montreal will rise after May 1, according to the Gazette. Commercial rents will also be increased, it is said. Increases are said to be from two to three per cent on the average. Reasons given are higher taxes and low investment yields. In Westmount a specific reason for higher rentals is the new water taxes imposed last year which have caused substantial increases in all dwellings where taxes are paid by proprietors.

Last year the average increase in rents in metropolitan Montreal was approximately 2.6 per cent in May, but in October many landlords found themselves with empty premises and were forced to ask lower rents. This resulted in a net increase for the year of about two per cent.

* * *

South African Trade

Record gains in Canada's trade with British South Africa were reported for 1935. Imports rose 57 per cent over 1934, while exports increased nine per cent. Total imports from South Africa were $4.7 millions, exports, $13.2 millions. With two exceptions, these figures constitute new high marks in Canada-South African trade.

* * *

First Class Doomed?

Chief result of the annual North Atlantic Passenger Conference meeting held last week was the abolition of so-called "first class" rating and the placing of all passenger ships in the same category. Held at Paris, the conference narrowly escaped a rate war by this move and by lowering rates on luxury liners slightly and increasing those on smaller ships heretofore in the "cabin" category.

Comment in Montreal following the meeting, according to the Gazette, points to the word "cabin" shortly disappearing and being replaced entirely by the grouping "first class." At present, the chief exception to the new ruling of the North Atlantic Conference is that of the Italian line which is not a member of the conference and which will continue to operate its ships as "first class."

* * *

New Tropical Service

Canadian South American Lines plan inauguration of a new northbound service from South America to Montreal.

This will create a two-way service between the St. Lawrence and South American countries, the south bound service having been in operation for some years from Montreal in summer and Saint John in winter.

First service will be that of Nordkap, a motor ship due at Montreal from South America about May 20. She will sail from Buenos Aires on April 6, and from Santos on April 16. There will be one ship monthly into Montreal under the new service.

* * *

Tariff Board Hearings

Important tariff board hearings scheduled at Ottawa include hearing of the Furniture Manufacturers Association brief on March 8. On March 11, various firms will seek revision of the tariff on golf balls and clubs, tennis balls and other sports equipment. These include A. G. Spalding and Brothers of Canada, Brantford; A. J. Reach; Wright & Ditson of Canada; Dunlop Tire and Rubber Company.

On March 12, Canadian Paper Box Manufacturers Association will seek a revision of the tariff on paperboard containers. On March 13, Anaconda American Brass Ltd., New Toronto, seeks free listing of forged steel rolls for rolling brass, copper and copper alloys.

* * *

Huge Westward Trek

For the first time in centuries, it is said that for 1936 there is a possibility of a greater movement of passengers westward across the Atlantic than eastward.

The forecast has been made by Hotels of the World, the international hotel representation system, which anticipates more than one million visitors to the United States in 1936.

The reverse is true, however, for Canada, where general tourist travel is expected to be exceptionally heavy in view of the Vimy pilgrimage. Looking even further ahead another eastward trek of significance will doubtless occur in 1937 at the time of the Coronation ceremonies.

Chief items in the westward movement in 1936 include the San Francisco and Texas centennial fairs.

* * *

Gasoline Control

Plans are under way in Saskatchewan, says Hardware and Metal, to follow legislation now in effect in Nova Scotia which rationalizes gasoline distribution services in the provinces and reduces the number of filling stations, etc. Legislation, it is indicated, will aim to protect cities and towns, and may possibly regulate practices of distribution throughout the province.

It is also indicated there may be some form of gasoline rebate for farmers on a different plan than at present. The new plan, it is believed, would do away with repayments and allow immediate deduction when a sale is made.

* * *

Farm Income Changes

Very important changes in the distribution of farm income in the Prairie Provinces is indicated by the January sales report of the Sanford Evans Statistical Service, Winnipeg.

The report shows that of total farm income in the period Aug. 1, 1935, to Dec. 31, 1935, Manitoba farmers received $18 millions against $28 millions in the same period a year ago. Saskatchewan farmers received $61 millions against $51 millions a year ago, while in Alberta receipts for farmers were approximately $53 millions in each year.

Another factor stressed in the survey is that moisture conditions are at present generally favorable over the prairies, with a decided improvement in subsoil reserve in the so-called drought areas. "This favorable condition," says the survey, "coupled with normal spring rains, should give the 1936 crop a good start."

* * *

Ceylon Raises Content Law

Effective March 1, 1936, the Ceylon government has increased the proportion of Empire content required for manufactured goods from 25 to 50 per cent, subject to exceptions for cigarettes and cinema films. The tariff imposes rates on cigarettes, according to the proportion of Empire leaf contained therein, while films are admitted to preferential rates only if wholly produced in an Empire studio and registered as British or Imperial films.

* * *

Alberta Fur Markets

Southern Alberta farmers are pleased with fur markets returns, it being estimated that total yield will approximate 9,500 skins to net farmers in the district around Calgary more than $325,000. Last year, some 8,000 pelts were marketed at much lower prices.

BUSINESS GAIN DURING JANUARY APPEARS UNEVEN

The Financial Post Index Records Gain Over Previous Month

Production data for January was uneven. Several brilliant advances were reflected in a preliminary rise in The Financial Post index of Canadian business trends from 108 in December to 109.7 in January. The corresponding standing in January, 1935, was 97.1, the gain for the year being 13 per cent.

In mineral production, nickel and zinc exports were in the limelight. The external market for nickel continued strong, the adjusted gain over December having been 67 per cent. Zinc in different forms moved to external markets in considerable volume, the gain over December exports having been 29½ p.c. The precious metals were shipped in lesser volume than in December after seasonal adjustment, copious gains being shown over January, 1935. The imports of bauxite for the manufacture of aluminum showed a considerable gain

Foodstuffs Less Active

The food industries were not so active as in December the meat packing industry being an exception in this respect. Statistics from the milling and sugar industries indicate a quiet period.

Imports of raw cotton and raw wool showed sharp gains over the same month of last year but were at somewhat lower levels than in December. The export of shingles was a bright spot in the records of the forestry group. Newsprint production was higher than in any other January but showed adjusted decline from December

Construction

The construction industry showed a marked gain over December and was 33 per cent greater than in January, 1935. Building permits at $1,284,000 showed a gain of 45 per cent over the same month of last year.

Carloadings were somewhat greater in January than in December after seasonal adjustment and the external trade recorded considerable increase in both divisions. Exports at $54,400,000 were 22.6 per cent greater than in the same month of last year.

Major Canadian Economic Factors

	Jan., 1936	% Change over Jan., 1935
Financial Post business index	109.7	+13.0
Common stock prices	112.9	+27.4
Shs. traded, Mtl., No.	857,056	+116.0
Dom. bond yields	138.1	—2.1
Mineral production:		
Copper exports, cwt.	191,819	—9.2
Nickel exports, cwt.	141,111	+31.4
Zinc exports ... cwt.	184,524	—34.3
Gold shipments . oz.	311,056	+10.6
Silver shipments, oz.	1,239,193	+220.0
Manufacturing production:		
*Flour prod. ..... bbls.	957,219	—1.3
*Rolled oats prod., lb.	11,375,644	+49.9
Cattle slaught. .. No.	96,870	+1.1
Hog slaught. ... No.	275,775	—2.1
Raw cotton imp., lb.	19,939,607	+80.2
Cotton yarn imp., lb.	430,977	—14.8
*Leather boot & shoe prod. .... pair	1,154,631	+28.6
Newsprint prod., tons	227,955	+12.9
Petroleum imp., gal.	61,131,249	+2.0
Crude rub'r imp., lb.	3,938,272	—34.1
Exports of planks & boards .... ft.	72,236,000	—3.9
Contracts awarded .. $	13,610,400	+33.2
Building permits .... $	1,284,000	+45.4
Carloadings ...... No.	172,902	—4.9
Imports .... $	40,590,276	+9.0
Exports .... $	54,417,324	+22.6

*Preceding month.

Calgary Power Favored For Edmonton Contract

From Our Own Correspondent

MONTREAL.—Plans of the City of Edmonton to extend the municipal steam plant in order to take care of power requirements, have been negatived by experts retained by the city and the prospects are that a new contract will be entered into with the Calgary Power Co. Five plans have been submitted by the company, but as yet none has been finally approved by the City Council.

The present recommendations favor a new agreement with Calgary Power Co., in order to avoid heavy capital expenditures at a time when the municipal bond market is not particularly favorable for the issuance of additional Edmonton debentures. At the same time, the experts retained by the city are of the opinion that it would be more economical for the city to enter into a new agreement with the power company.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$7.25	$6.75	$6.25
Hogs	9.50	9.50	9.85
Copper, lb.	.09¼	.09¼	.09
Cotton, lb.	.1170	.1165	.1265
Rubber, lb.	.1575	.1544	.1289
Sugar, raw, lb.	.0330	.0330	.0290
Silk, lb	1.87	1.81	1.44
Wheat (Man.) bus.	.81	.80⅛	.80¼
Coffee, lb.	.07	.07	.08½
Weekly Indices			
N. Y. Annalist	126.6	127.1	124.1
Fisher's	83.5	83.4	82.4
N. Y. Journal of Comm.	81.5	79.9	80.2
Crumps (Brit.)	68.2	68.5	64.2
U. S. Labor	80.4	80.5	79.1
Canada (D.B.S.)	72.4	72.6	71.8
Monthly Indices			
Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (Dec.)	80.8	80.6	78.9
W'sale (Dec.)	72.8	72.7	71.1
U. S. Labor (Dec.)	84.6	84.8	80.7
Gt. Brit. (Dec.)	77.3	77.2	71.1

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: Sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

New Industries

W. & A. Gilbey, Ltd., Canadian subsidiary of London, firm of distillers, will construct an addition to its gin distillery in New Toronto, to almost double the capacity of the plant.

1886 1936

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ASSETS UNDER ADMINISTRATION EXCEED
$767,000,000

Caribbean CRUISES VIA
M.S. Lafayette
LEAVING
FEBRUARY 28
St. Pierre - Fort-de-France
Trinidad - La Guayria - Cartagena
Cristobal - Kingston
6192 miles in 17 days. $200 up.
LEAVING
MARCH 20
Nassau - Kingston
Port-au-Prince - Bermuda
3441 miles in 11 days. $135 up.
BERMUDA CRUISES
APRIL 2 & 8
5 days. $65 up
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MELCHERS PLANS REORGANIZATION CAPITAL SET-UP

Directors to Prepare Proposal Permitting Payment of Dividends

From Our Own Correspondent

MONTREAL. — Reorganization of the capital structure of Melchers Distilleries and the distribution of surplus assets to shareholders, was informally discussed at the annual general meeting of shareholders.

The matter was brought up and there being no dissenting votes against such a plan, the management will shortly take the necessary steps to reorganize the capital.

Pay Out $4 Dividend

The carrying out of the proposed plan should enable the company to distribute $4 a share to the Class A stockholders in 1936 in two installments of $2 each.

The financial statement of Melchers Distillers for 1935 shows current assets of over $1 million, and liabilities amounting to less than $1,000. Current assets included cash of $40,143; call loans $200,000; accounts receivable $84,168 and inventories $697,133.

A distribution of $4 a share on the Class A stock would call for an outlay of $400,000 and reduce the dividend arrears to $4.50 a share.

ACME GLOVE CO. PROPOSING PLAN TO FUND ARREARS

From Our Own Correspondent

MONTREAL. — Shareholders of Acme Glove Works will meet in Montreal on March 18 to consider a plan for simplification of capital structure and elimination of first preferred dividend arrears which will be $10 a share at the end of March, 1936.

The plan of reorganization proposes setting up two classes of stock, 6 per cent cumulative $100 par preferred, redeemable at $103 and accrued dividends, authorized at $1 million and outstanding at $687,960 and no par common stock authorized at 30,000 shares, outstanding at 24,000 shares.

Distribute New Shares

For each two shares of the present outstanding $50 par first preferred, the holder will receive one new 6 per cent cumulative preferred, plus $20 par value additional stock in settlement of arrears

The present $50 par value second preferred will be exchanged for one quarter share of new 6 per cent cumulative preferred, plus one and a half shares of new common stock.

The present outstanding 15,000 shares of Class B common will be exchanged share for share into new common, while the present Class A common reserved for conversion of first preferred stock, will be cancelled.

Smaller Dividend Sought

In a covering letter to the shareholders, the management recommends a reduction in the preferred dividend of 6½ to 6 per cent in view of prevailing low interest rates.

It is suggested that, on the basis of present earnings, the 6½ per cent first preferred dividend could be continued and cash settlement of arrears would not be warranted under prevailing conditions.

MONTREAL POWER EXPLAINS RATES

Average Customer Account Low—Refunding Explained by President

From Our Own Correspondent

MONTREAL. — Owners of property adjacent to the LaSalle plant of Montreal Light, Heat and Power Consolidated, Montreal Light, Heat and Power Co., Dominion Tar and Chemical Co. and Montreal Coke and Manufacturing Co. were unsuccessful in a suit for $389,776 for damages allegedly caused by gas and other emanations from the plants of the defendant.

On the basis that the operation of the plant was not an actionable nuisance, the court ruled that both the suits for damages and the application for injunction to restrain further operations must fail.

The court added the action must also fail for the reason that the plants, modern and scientifically operated, were run within powers conferred by law, without negligence. The site of the plants is a non-residential district and while there might be some inconvenience to neighboring proprietors, such inconvenience was inevitable and not damageable before the courts.

Power Corp. Preferred Stock Offered Privately

From Our Own Correspondent

MONTREAL.—Nesbitt, Thomson & Co. are making a private offering of a block of Power Corp. of Canada 6 per cent non-cumulative participating preferred stock at a price to yield about 6.50 per cent. This stock does not represent new financing.

Earnings of Power Corp. for the first half of the current fiscal year ended December 31 last, amounted to $770,000 compared with $764,000 for the corresponding period of the previous year. After deducting senior charges, net income available for the 6 per cent non-cumulative preferred amounted to $251,000 which exceeds dividend requirements of $150,000 by over $100,000. During the corresponding period of the 1935 fiscal year, the dividend requirements were exceeded by $91,000.

Consequent upon the increase in the market value of the company's investment portfolio during the six months ended December 31, 1935, the equity behind the non-cumulative preferred exceeds $121 as compared with the par value of $50 a share.

Dosco's Sydney Staff Largest in Past 13 Years

From Our Own Correspondent

MONTREAL. — Average working staff at Dosco's Sydney steel plant at present is larger than at any time during the past 13 years, according to an official statement issued by the company.

The average daily force is 3,200 men and a pay roll account of 3,600—about 400 higher than the monthly average in 1933. Officials expect the same average of employees will be maintained throughout the winter months.

65th Annual Meeting of

The Ontario Loan and Debenture Company

The 65th Annual General Meeting of the Shareholders of this Company was held on Wednesday afternoon, 12th instant, at the Company's offices, London, Ontario.

THE PRESIDENT'S ADDRESS

The President, Mr. Archibald McPherson, in moving the adoption of the report spoke as follows:

As our Financial Statement will be dealt with by Mr. Main I will confine the few remarks I have to make to comments on some of the conditions with which we are faced in the investment of the funds entrusted to us.

POLITICAL INFLUENCE ON SECURITY VALUES

The laws and regulations of the Ontario Government under which we operate require us to hold liquid securities as a protection to our depositors, these securities to comprise Dominion and Provincial Government obligations and the debentures of Canadian cities, this of course being due to the fact that such securities are supposed to be the best the country affords.

Notwithstanding this the premier Province of Ontario and some of our Western Provinces have been found of late acting in such a way as to discredit many of these very securities which we are expected to hold as security for our depositors. We look to our legislators for wise doctrines in finance to help in maintaining a system of order and stability and it is to be regretted that among them we find many who apparently are unable to recognize the important part which our investing public, both institutional and private, must play in the economic life of the nation. There has been a great deal of agitation among our political leaders for a so called refunding at the present time, at lower rates of interest, of bonds which do not mature for many years to come. This has been reflected in the attitude of many of our municipal authorities. It is unfortunate that our politicians, I do not refer to them as statesmen, do not appear to be able to make any distinction between refunding and repudiation.

Bonds of some of our important municipalities included in regulations as good liquid securities for a financial institution to hold have become practically unsaleable. Not, be it noted, on account of a temporary inability to meet their obligations fully and exactly when due, but more on account of the fact that government direction and insistence upon present or eventual fulfillment of contracted obligations has been seriously lacking.

In the past four years we have been living in ever changing conditions in the realm of finance and it has become necessary to constantly adjust our views to meet these changing aspects. What we did not expect however was to have to adjust ourselves to the spirit, almost verging on repudiation, which has prevailed during the past twelve months, a spirit which has caused bondholders many misgivings as to value of their securities, primarily owing to the fact that bondholders are being used as a political football by some of our politicians.

NOT BRITISH JUSTICE

During the past year we have seen the repudiation by the province of Ontario of long term contracts with Power Companies. Our citizens had provided the funds, by the purchase of the Power Companies' Bonds to the extent of many millions of dollars, which were necessary to provide the plants for the production of the power which the Provincial Power System had contracted to take. It was in the faith that these contracts would be carried out that the bonds were bought. By act of Legislature the contracts were cancelled and by the same act the companies and bondholders were denied access to our Courts of Justice for redress. This was not British Justice and cannot be regarded in any light except total disregard for the sanctity of contracts and the rights of the investing public.

MUNICIPAL FINANCIAL DISHONOR AND DELAYED REDRESS

In the municipal field in many instances the interest of the creditors is being given slight consideration. One of our important Ontario cities which has been in default for three years is not now paying any interest on its bonds although at the present time it has on hand close to two million dollars. This money rightfully belongs to the creditors of the city and is sufficient to pay interest on its obligations for almost two full years. That municipality has made a proposition to its bondholders involving a severe write-off on principal and a very low rate of interest on the balance, a proposition which certainly is not fair to the bondholders and one which they should not accept.

There are other instances and signs of the breaking down of the honor and the will to pay of some of our municipal and even Provincial governing bodies. If this condition is allowed to continue, and I might say encouraged, our credit structure is in grave danger of being wrecked.

The security owner is in a quandary, he cannot escape the thought that in some manner faith has not been kept and is not being kept with him. The fact of the many unhonored obligations which he holds and the threatened impairment of still more does not harmonize with the idea of the sanctity of contractual obligations and the spirit of British Justice which he has always considered a primary factor in our national life.

It is time our Legislature took some definite action to bring order out of the chaos which exists, especially in regard to municipal bonds. Too much time is being wasted. The damage already done should be repaired quickly.

DEBT LEGISLATION UNSOUND AND NOT PROPERLY ADMINISTERED

Another matter which should be considered is the complex situation which exists in the mortgage field owing to the many debt adjustment acts, moratoria, and the Farmers' Creditors Arrangement Act, which have been enacted throughout the country. Our moratorium legislation is not only unsound in principle but it provides loopholes by which many unscrupulous borrowers have been able to escape their obligations and for whom the protection of this legislation was never intended. The same can be said of the various debt adjustment acts and the Farmers' Creditors Arrangement Act. Unfortunately the administration of these acts must of necessity be handed on to others than those who were responsible for their enactment and in many instances the administration is faulty, very unjust to the creditors and carried on in a spirit which I believe the sponsors of the legislation never intended. Conceding that other factors may have entered the picture and have their detrimental influence on present conditions, the fact remains that much of our present legislation along these lines has throttled the free movement of money along the channels which it should pursue. This legislation should in a great part be removed so that the financial business of the country can be carried on in a normal manner without the interference of officials to whom the administration of the acts must be entrusted and who in many instances have not a proper sense of justice in carrying out the duties and authority given to them. The Savings Banks, Loan Companies and Life Insurance Companies are especially the poor man's investment institutions and any legislation tending to strike at the resources of these institutions is certainly a blow aimed at the small investor and at the resources of the public generally, which in many cases represent the saving effort of a lifetime.

PROTECTION OF SAVINGS NECESSARY TO RECONSTRUCTION

The task of reconstruction cannot be solved without the steady safe investment of the savings of our individual citizens. Confidence must be restored if we are to return to a normal level of business conditions. The heads of our government in Ontario and the West may well take some lessons from the Maritimes where there are no moratoria and no municipal defaults.

It is not in any spirit of pessimism that I have spoken in regard to these matters, but I do know that many of our shareholders, depositors and debenture holders are owners of obligations of the defaulting municipalities and are seriously affected by the situation. As far as our Company is concerned I might say that on the great proportion of our mortgages the payments have been satisfactorily met and there have not been any developments tending to show that our provision for possible losses, and for concessions to financially embarrassed and deserving borrowers, are not fully ample. It is perhaps owing to our good fortune rather than foresight that we are not more involved in Municipal bonds than we are. As our report shows our total of this class of security is $357,369 and we have provided against possible losses in regard to these.

VICE-PRESIDENT'S ADDRESS

The Vice-President, Mr. T. H. Main, in seconding the adoption of the report said in part:

The items of our Balance Sheet do not show much change from the figures of the previous year.

Our mortgages call for annual, semi-annual or in some cases even more frequent payments on account of principal. As a large proportion of these payments are kept up, the total of mortgages would decrease substantially from year to year if new loans were not made and our earnings would suffer. Our new mortgage loans during 1935 totalled approximately half a million dollars and were not only sufficient to offset payments on principal made on the old loans but also the transfers to real estate account and give a net increase of slightly over one hundred thousand dollars in the total of mortgages.

REAL ESTATE MARKET SLOW

The real estate account comprising properties acquired as a result of default under mortgages again shows an increase, more properties having come on hand during the year than we were able to dispose of. Fifty-eight properties came on hand in the year and there were twenty-two in all sold. A number of the sales made are reflected in the increase of the Agreements for Sale account which from a little under $60,000 at the end of 1934 rose to $105,000 at the end of 1935. Other sales were for all cash or with sufficiently large cash payments to permit deeds being given and mortgages taken for the remainder of the purchase monies.

BARGAINS AWAIT HOME-BUYERS

Most of these properties on our hands are modern homes of moderate size and not only available for purchase at lower prices than they could be built for today but on such favorable terms they could be easily acquired by citizens of moderate earning power. That the demand for these properties is so slight goes to show the home owning desire is largely dormant under present economic conditions. Rents are moderate and apparently few wish at present to assume responsibility as owners for direct payment of the onerous real estate taxes or feel sufficiently sure of their financial position to assume purchase obligations even at bargain prices and on easy payment terms.

DOMINION HOUSING ACT

The Dominion Government's interest in home building and its endeavor to stimulate this by its Housing Act of last year is an attempt to awaken a home building and owning desire so that more employment may be provided, leading, it is hoped, to the result of more people being in a position to afford better housing.

It was quite unnecessary for the Government to make this incursion into the business field, thus adding to the already excessive functions of Government and dangerous overburden of Government debt. All that would have been necessary would have been permissive legislation for mortgage loaning companies to do a certain proportion of their mortgage lending on the same plan as the act provides for but requiring, as is done in the United States, the accumulation through a small percentage charge on each loan of a guarantee or insurance fund as some protection against the losses which loans in such high proportion to value of the property covered are likely to cause. If any stimulation other than permissive and regulatory legislation of this kind were necessary, it could have been amply afforded by a Government contribution towards a general guarantee or insurance fund. Better for the Government to put half a million up in this way subject to proper restrictions than to have ten millions out at risk under a cumbersome scheme requiring expensive servicing.

But the Act is in force and we in common with the other mortgage loaning institutions wish to give its operation our loyal support, as far as we can, in the hope it will bring good results.

CITIZENS WHO SHOULD BUILD

We contend that those residents of our Canadian towns and cities who may be entitled to the use and enjoyment of new homes at this time are the thrifty members of the community who have either directly as owners or indirectly as regular, dependable rent-payers, kept the taxes paid on the homes they occupy and have by self denial and thrift accumulated a fund from which to furnish 20 per cent. or more of the cost of new homes and feel that their earnings or income justify them in now taking steps to obtain them. To all such citizens we wish to give every encouragement to now come forward and discuss with architects and builders and direct with this company their building hopes and plans. As far as can be given under the Act as it stands at present favorable consideration is awaiting their proposals. They, the proper class to stimulate building operations and the only class who can do so on a sound basis, thus now have it in their power to create more employment than perhaps could be given in any other way except what would result from a decided increase in the purchasing power of our farming population.

AMPLE LIQUID SECURITIES

What change there has been in our securities has been to the good, as our holdings of Government and Government guarantee bonds have increased by $124,275 to a total of over $3,283,526 while the total of municipal securities of various kinds has decreased by over $60,000 to the relatively small total of $357,369. We are fortunate in having but very small holdings of those Ontario municipalities which are in default and, as the President has stated, we have made what we consider ample provision against possible loss in connection with all our municipal securities as well as against our other assets.

LOANS ON OTHER SECURITIES

The amount under the caption of Loans on Stocks and Bonds, $82,801.88 is composed almost entirely of loans secured by Government bonds and a number of small advances on our own debentures made for the convenience of our debenture holders.

TIME REQUIRED TO REDUCE RATES ON CURRENT MORTGAGES

As to our liabilities to the public our Canadian debentures show a decrease of about $200,000 owing to the reluctance of investors to accept the lower rates to which we have been obliged to come. Many of our debenture holders are fortunate in still holding high rate debentures as it was as late as 1932 that market conditions required the issue of debentures at 5½ per cent., even our Governments paying as high a rate at that time on bond issues. It will be the end of 1937 before the high rate debentures can all be replaced as financial institutions must carry out contracts even though governing bodies may be able to evade their contracts. This is one of the chief reasons there cannot be a quick general reduction in mortgage rates. It must be a gradual process.

DISADVANTAGE OF LOW RATES ARTIFICIALLY BROUGHT ABOUT

As far as interest rates are being unduly reduced by Dominion Government pressure, and there are many who believe this to be the case, there is grave question of the wisdom of the course. It certainly is in effect another tax levy on the thrifty and saving classes, having the effect of steadily reducing their purchasing power.

COMPANY'S SOUND POSITION

In conclusion I have no hesitation from my intimate knowledge of its affairs in assuring the shareholders of the strong sound position of their Company, which is, I believe, second to none in this respect.

I have pleasure in seconding the adoption of the report.

The report was adopted unanimously.

Scrutineers were then appointed and the election of directors proceeded with. Upon motion of Ronald Harris, seconded by J. McClary Moore, Messrs. A. McPherson, T. H. Main, J. McClary Gunn, O. Roy Moore, Edward E. Reid and James B. Orr were re-elected for the ensuing year.

Upon motion of James McKenzie, seconded by T. Arthur Karn, Messrs. A. G. Calder, F.C.A., and George S. Jewell, C.A., were appointed the auditors of the Company for the ensuing year.

At a meeting of the Board of Directors held subsequently, Mr. A. McPherson was re-elected President, and Mr. T. H. Main, Vice-president of the Company.

DIRECTORS' REPORT

London, Canada, 22nd January, 1936.

TO THE SHAREHOLDERS:—

Your Directors beg to submit their report for the year 1935, accompanied by the Balance Sheet and the Auditors' Certificate.

Throughout the year your Company had ample funds available for sound mortgage loaning and at lower rates of interest, but the demand was so slight that the loans on mortgage have increased by only $106,569.

The total of currency and sterling Debentures outstanding declined by $195,027, but Savings Deposits increased by $503,877, giving a net increase of $308,850 in the funds entrusted to the Company.

After payment of Provincial and Municipal Taxes, Interest on Deposits and Debentures, Expenses and charges, and after making what is considered ample provision for possible losses and contingencies, the

			Comparative 1934 Figures
Net earnings for the year 1935 are		$293,804.58	$291,980.09
Balance brought forward from previous year		101,193.52	84,213.43
From this Total available		$394,998.10	$376,193.52
Dividends (Quarterly) have been paid		240,000.00	240,000.00
		$154,998.10	$136,193.52
Provision for Dominion Government Income War Tax for 1935, payable April, 1936	$40,000.00		35,000.00
Written Off Office Premises	10,000.00		
		50,000.00	
Balance carried forward		$104,998.10	$101,193.52

The much better industrial and agricultural conditions and outlook are not yet reflected to the extent desired in improved ability of mortgage borrowers to meet their interest payments fully and promply when due, 1935 not showing in this respect the same degree of improvement over 1934 as that year showed over the previous years of the depression. Your Company's position is, however, very sound in that due or accrued mortgage interest taken into the Balance Sheet as an asset is the relatively small amount of $150,384.37, or somewhat less than three months' interest on the total of mortgage investments.

The Directors wish in connection with the Company's sterling Debentures to acknowledge the valuable service given by the Company's agents in Scotland, Messrs. Wm. Home Cook & Coy., C.A., and Messrs. Forbes Dallas & Co., W.S., both of Edinburgh.

All of which is respectfully submitted.

ARCHIBALD McPHERSON, President.

FINANCIAL STATEMENT

31st December, 1935

ASSETS

Office Premises (freehold)	$120,000.00	
Less Amount Written Off 31st December, 1935	10,000.00	
		$ 110,000.00
Mortgages—		
Loans on Mortgage—Principal, $10,014,426.17; Interest, $150,384.37		10,164,810.54
Agreements for Sale of properties acquired as result of default under the Company's mortgages thereon, taken into account at less than amount owing—Principal, $104,574.14; Interest, $463.22		105,037.36
Real Estate acquired as result of default under the Company's Mortgages thereon and awaiting sale, taken into account at less than estimated market value		466,771.79
Securities, including accrued interest—		
Bonds of United Kingdom, Dominion of Canada and Provinces of Canada		2,830,023.66
Bonds Guaranteed by Dominion of Canada and Provinces of Canada		453,502.84
Bonds of Canadian Municipalities, and School District and Rural Telephone Debentures		357,369.37
Loans on Stocks and Bonds—Principal, $82,054.30; Interest, $747.58		82,801.88
Deposits with other Loan Companies of Canada		12,665.30
Cash in Chartered Banks in Great Britain		3,628.56
Cash in Chartered Banks of Canada and on Hand		279,169.44
		$14,865,780.74

LIABILITIES

To the Public:—		
Debentures, Sterling, including accrued interest	$ 768,817.86	
Debentures, Currency, including accrued interest	6,896,109.05	
		7,664,926.91
Deposits		2,574,033.98
Other Liabilities, including provision for Dominion Income Tax payable April, 1936		61,821.75
		$10,300,782.64
To the Shareholders:—		
Capital Stock (40,000 shares of $50.00 each, fully paid)	$2,000,000.00	
Reserve Fund	2,400,000.00	
Quarterly Dividend payable 2nd January, 1936	60,000.00	
Profit and Loss Account, Balance carried forward	104,998.10	
		4,564,998.10
		$14,865,780.74

ARCHIBALD McPHERSON, President. THOMAS H. MAIN, Manager.

To the Shareholders of The Ontario Loan and Debenture Company:

We hereby certify that we have audited the books and accounts of The Ontario Loan and Debenture Company continuously throughout the year ended 31st December, 1935, and find the above statements in accordance therewith. We have verified the Cash and Bank Balances, and have examined the Company's securities and find them in order. All our requirements as Auditors have been complied with, and, in our independent opinion and according to the information and explanations given us, the above statements are properly drawn up and set forth fairly and truly the state of the Company's affairs.

All transactions that have come within our notice have, we believe, been within the powers of the Company.

A. G. CALDER, F.C.A.
GEO. S. JEWELL, C.A. } Auditors.

London, Ontario, 21st January, 1936.

Montreal Utility Firms Win Important Lawsuit

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power's 230,000 domestic customers contribute to the company's treasury an average of $1.39 a month, or less than 4 2/3 cents per day, according to a statement made by John S. Norris, president, at the annual meeting of the company's shareholders.

Business on the whole, he said, was somewhat better in 1935 than for the previous year, but earnings were adversely affected by the reduction in rates for domestic electricity. This reduction cost the company upwards of $400,000 during 1935. At the same time there was an increase in taxation, calling for the payment of an additional $250,000 to the City of Montreal.

In discussing the refunding operations of the company, Mr. Norris pointed out that last year the company retired $15 millions of mortgage debt. "We necessarily had to liquidate investments for the purpose," he said, "but inasmuch as the return on the investments was less than interest charges on the bonds redeemed, the retirement was advantageous to the company.

"We have since called for payment on April 1 next the remainder of our mortgage debt amounting to $27.6 millions; while it was necessary to issue new bonds to the amount of $15 millions for the purpose, the operation will result in a net reduction of $12 millions of debt. This, combined with the lower coupon rate on the new bonds, will mean a substantial saving of fixed charges. Incidentally we get rid of the risk of foreign exchange, as the bonds retired last year and those scheduled for retirement this year were payable in sterling and American currency, whereas our new bonds are payable in Canadian currency only."

Foundation Co. Plans Saint John Contract

From Our Own Correspondent

MONTREAL.—Foundation Co. of Canada expect to begin the driving of piles in connection with the reconstruction of the Saint John Harbor Commissioners' berths, 1, 2, 3 and 4 during the early part of next month.

The work has been carried on throughout the winter, with activity concentrated at berth 4, where, up to now, 34 reinforced concrete cylinders have been sunk. Over 200 of these cylinders will be needed for the project. When they are in place, all will have to be extended slightly with concrete tops of from 2 to 7 feet to make a uniform foundation. On top of these cylinders, and the clusters of piling behind them, will be erected concrete walls and columns, which will support the floor.

Record Newsprint Output— Stocks on Hand Keep Pace

From Our Own Correspondent

MONTREAL. — Canadian newsprint mills turned out more paper last January than in any other corresponding month in the history of the industry. According to the News Print Service Bureau, production amounted to 227,955 tons and shipments 181,403 tons. This compares with 244,732 tons output and 265,233 tons of shipments during the preceding month and with a production of 201,959 tons and shipments of 180,026 tons in January, 1935.

Production in the United States mills last month was 79,361 tons and shipments 75,388 tons. This was somewhat less than the same month a year ago when output was 80,666 tons and shipments 75,701 tons.

During January, 26,348 tons of newsprint were made in Newfoundland, as against 28,012 tons a year ago. Mexico produced 171 tons, a sharp drop from 2,066 tons produced in January, 1935.

The total North American production for January was 333,835 tons, as against 312,703 tons for the same month last year.

Canadian Mills Lead

On a percentage basis the Canadian mills produced 13 per cent more in January this year than in the same month last year; the United States mills, 1 per cent less; Newfoundland mills 6 per cent less; and the Mexico mill about 92 per cent less, while for North America there was an increase of 7 per cent.

Stocks of newsprint paper at Canadian mills were reported at 76,65[illegible] tons at the end of January and at the United States mills, 14,194 tons, making a combined total of 90,85[illegible] tons compared with 40,327 tons on December 31, 1935.

Considerable tonnage was accumulated at points from which water shipments will later be made.

B. C. Pulp and Paper

B. C. Pulp and Paper Company is reconditioning its plants at Port Alice and Woodfibre. The approximate expenditure involved is estimated at $300,000. An improved quality of pulp and greater manufacturing efficiency is the objective.

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp must be enclosed. Address The Financial Post, 481 University Ave., Toronto.

Common Stocks

I hold a substantial number of shares of Canadian Investors Corp. Would you advise me to replace these with the following common shares: B. A. Oil, Steel of Canada, Fanny Farmer, Photo Engravers, Canada Vinegars, McIntyre Mines, Dominion Bridge, International Pete and McColl-Frontenac?

The list of common stocks you propose to buy includes some of the more highly regarded common shares in Canadian companies. However, you must remember that a company like Canadian Investors Corp. already holds large quantities of some of these issues, notably B-A Oil, Photo Engravers, Canada Vinegars, Dominion Bridge, and a very large block of International Petroleum purchased at low prices.

The break-up value of Canadian Investors Corp was $11.34 a share at Jan. 31, 1936. The current market price for the shares is close to $8. Therefore, if you were to sell your Canadian Investors shares, you would be selling your interest in some of the shares you propose to purchase, at a discount. Then, you would be going into the open market to buy a direct interest in similar common stocks at a higher price.

The over-the-counter price for shares of Canadian Investors may not rise as high as the break-up value per share. Nevertheless, the break-up value represents real liquid assets. Also, income on Canadian Investors is about five per cent at present prices, from the 40-cent dividend, and you might not be getting as good a return by buying shares in the open market. Whether you would do better in the stocks than in Canadian Investors is a question only time can answer.

Dominion Bridge

What is the outlook for Dominion Bridge Co?

Dominion Bridge Co. is the largest operator in the Canadian structural steel field. In years past it has reported large earnings and has been generous in distribution of dividends. Over the last two or three years there has been very little business available but owing to the strong financial position built up in more prosperous years, the company has been able to continue dividends. With a revival of construction, Dominion Bridge stands to benefit greatly.

Can. Hydro-Electric

Please let me know the par value of Canadian Hydro-Electric preferred stock. Is it cumulative? What value is behind the shares, and what are the present and future prospects?

Canadian Hydro-Electric first preferred stock of $100 par value carries high risks under present circumstances. The cumulative dividend has been deferred because the controlled firm, Gatineau Power Co., stands to lose part of its revenue from its cancelled contract with the Ontario Hydro. Even under new arrangements with the Ontario Hydro, Gatineau Power Co. revenues will not be sufficient to permit Canadian Hydro-Electric to pay preferred dividends.

Canadian Hydro preferred may improve, if, as is expected, deliveries of power by the Gatineau firm to the Ontario Hydro show increases. Then, earnings of Canadian Hydro might be restored, and the preferred stock returned to a dividend basis. According to the financial statement for 1934, there was an equity of $323 per share for Canadian Hydro preferred. You must remember, however, that this equity is on the outer fringe of any equity in the subsidiary, Gatineau Power Co., which is already substantially mortgaged.

Can. Malting Outlook

I have decided to buy some Canada Malting stock, but before doing so would like your comment on the prospects for increased dividends on the shares.

In buying shares of Canada Malting you should note that there has been a considerable decrease in exports of malt to the United States. The company in the past two years benefitted materially from sales of malt in the United States. American sources now seem capable of filling the U. S. demand for malt, so that any increase in Canada Malting's earnings must now depend largely upon the domestic market. Increasing consumption of beer in Ontario may help to expand earnings, but there does not appear to be any sensational increase in early prospect. Meanwhile, the regular dividend of $1.50 a share is considered secure. Last year an "extra" of 50 cents a shares was paid, but this cannot be considered a sure thing every year.

Electrolux

Please advise if Electrolux, listed on the Montreal Stock Exchange, is a Canadian company. If it is listed on any other exchange; what the company's last yearly earnings were, and what the assets of the company are.

Montreal Stock Exchange has listed all of the outstanding common stock—1,257,500 shares—of Electrolux Corp., a Delaware incorporation. This is the only exchange on which the stock of the company is listed.

For the nine months ended Sept. 30, 1935, Electrolux Corp. reported a net profit of $1,989,610, of which amount $1,237,500 was distributed in dividends. At the present time the stock is on a $1.20 annual dividend basis.

The assets of Electrolux Corp. consist largely of all the outstanding capital stock of Electrolux Inc., which manufactures and sells electric vacuum cleaners. The consolidated balance sheet as at Dec. 31, 1934, shows current liabilities of $1,286,095. There is a reserve for contingencies of $50,000, while the capital stock is on the books at $2,301,050. The capital surplus amounts to $37,395 and the earned surplus to $1,559,686.

Assets totalled $5,234,228 in 1934. Current assets were $4,538,027, of which just over $3 millions was accounts receivable from customers. Fixed assets are carried on the books at a depreciated value of $273,172, and patents at a depreciated value of $411,766.

Dominion Engineering

Please let me have your views on the Dominion Engineering Co. stock?

Dominion Engineering is controlled by Dominion Bridge. As its name implies, this company is engaged in the construction of machinery for pulp and paper, power, mining and other industries.

It is understood that the company has been securing an increasing volume of business which should be reflected in better earnings. The company is in a financially strong position and while no dividends are being paid just now, a continued pick-up in industry should bring about a re-establishment of earnings to a point where distribution on the common stock can again be expected.

Essex Border Utilities

What is the position of Essex Border Utilities bonds? Are they affected by the Windsor merger and refinancing scheme?

Essex Border Utilities bonds are in a unique position. The Utilities Commission has been legislated out of existence, and the assets have been taken over by the new city of Windsor. The bonds, however, still have claims against several municipalities for the amount of individual liability. As you probably know, four municipalities, Windsor, East Windsor, Sandwich and Walkerville, are now merged in the city of Windsor. A plan has been proposed to write down the debts of the combined municipalities, and Essex Border Utilities Commission bonds have been included in the various sections of the total debt.

If the plan is adopted, it will mean that the amount of Essex Border Utilities bonds for which each of the four municipalities is liable would be treated in accordance with whatever treatment is given to the debt of the individual municipalities. In addition, there are other municipalities than those four being merged, which are liable for a portion of the Essex Border Utilities bonds.

Just how the whole matter will be settled is entirely indefinite at present. This is one of the most involved phases of the Windsor debt adjustment scheme. The probability is that interest will eventually be paid at reduced rates and there is a possibility that principal will be reduced too.

Shawinigan

I hold common stock of Shawinigan Water and Power Co., bought at a price considerably higher than those prevailing today, and would like to know what are the prospects of this company.

Shawinigan Water and Power Co.'s position has been steadily improving. The 1935 financial statement shows power sales at the highest point in the company's history, and earnings equivalent to $1.15 a share as against dividend payments of 60 cents a share. Cash position has been well maintained and the company is working into a strong financial position. The outlook for the company appears favorable.

Adelaide-Sheppard Co.

I would like some information on the seven per cent bonds of Adelaide-Sheppard Co.

By agreement with bondholders, interest on the seven per cent first mortgage bonds of Adelaide Sheppard Co. has been reduced to five per cent up to 1938. The building has been operated by the Capital Trust Co. for the estate of Mrs. Theresa Small, who died recently. Mrs. Small's estate holds the second mortgage, and foreclosed on the property. It is possible that the situation will be adversely affected by a caveat that has been issued against Mrs. Small's estate. No money is obtainable from the estate at the present time.

ROBERT GAIR CO. MAKES NEW OFFER FOR FIRSTBROOK'S

With Company in Receivership, Way is Open for Sale of Assets

With Firstbrook Boxes Ltd. in receivership, Robert Gair Co. Inc. has renewed its offer to bondholders for the purchase of assets of the company. A meeting of bondholders has been called for March 13 to consider the proposal.

The new offer is identical with the one previously approved by bondholders, acceptance of which was rendered void by the decision of the courts holding that no sale of the assets could be made as long as the voting trust for the common shares existed.

The offer provides for the exchange of six per cent first mortgage bonds of Firstbrook Boxes for 80 per cent of their face value in six per cent income notes of Robert Gair Co. Inc. Firstbrook bondholders have the alternative of accepting $50 in cash in lieu of $80 principal amount of income notes.

Sidestep Technicality

The technicality on which acceptance of the previous offer was declared void can now be sidestepped as a result of default by the company on its bonds. Action was recently taken by a group of bondholders to foreclose the mortgage on the property and place the company in receivership. This allows the assets to be sold by bondholders under the Judicature Amendment Act of 1935.

As previously pointed out by The Financial Post, operations of Firstbrook Boxes improved in 1935, bond interest for that year being earned. Under the provisions of the reorganization of plan of 1932, however, three years' interest fell due on Dec. 15, 1935. The company lacked cash to meet this obligation and defaulted.

The renewed offer, it is expected, will be accepted without much opposition since large bondholders favor the proposal. In approving the previous offer, bondholders took into account that much of the improvement in operations of Firstbrook Boxes has been due to Robert Gair Co. Inc. Two of the company's largest accounts were obtained through Robert Gair Co. Inc.

Rackets

Mining Maps

AND look at the location of the property on the map, and the line of strike. We are certain to have the same ore as Lake Shore."

Whereupon a wide-eyed "prospect" studies the map prepared by Wildcat Mines' "consulting engineer," who is not an engineer at all, and there, plainly marked, is the line of strike directly from Lake Shore to Wildcat's 100 acres. The Wildcat property is ten miles from Lake Shore it is true, but the map traces a "probable ore zone" all the way in a line as straight as a twelve-inch ruler.

Thereby hangs a tale of mining maps. The "line of strike" can be a true designation of ore deposition, but in compiling mining maps for promotion purposes several liberties with the facts are possible.

* * *

Omitting the "Fault"

IN ONE instance a map gained wide circulation in Canada as part of a stock selling scheme, and probably sold as much stock as any other single argument of the promoter. It revealed an "ore zone," and, in an unbroken line the line of strike of one of Canada's richest gold mines was shown passing directly into the promoter's property.

He had either carelessly, or otherwise, omitted an important detail, however. This was the existence of a fault in the geological structure, which threw the line of strike from the famous producer miles away from the promoter's holdings. On the map it was a straight ruled line. On the ground, the line of strike was in reality a line shaped like a flattened letter "Z" with the centre stroke of the "Z" representing the fault.

That map, with others of a similar "forgetful" character, is on record. Security commissions and other authorities supervising stock promotion efforts in Canada have a collection of such maps, and as new maps are submitted they are now subjected to searching scrutiny by qualified experts, to prevent a recurrence of this form of "salesmanship."

* * *

Safeguards Exist

NO RECOGNIZED and ethical mining engineer, consulting engineer or geologist will lend his services for the purpose of compiling misleading mining maps. On the other hand, an unscrupulous promoter can alter a correct map with pen and ink, and have thousands of copies printed for distribution.

In Ontario, copies of all promotion literature must be submitted to the Ontario Securities Commission, not for approval, but as a matter of record. It is at this point that authorities step in to prevent circulation of misleading maps.

The Woman Investor

Loyalty Pays Dividends

SAID an eastern Canadian business man shortly before his death a year ago. "I buy stocks when everyone else wants to sell and I sell them when everyone else wants to buy." He died a wealthy man.

But his remark, made in the hearing of a woman member of his family, made a deeper impression than he realized at the time.

The woman was a shareholder of Nipissing, once famous as Canada's leading producer of silver. She bought the stock about 30 years ago, when Nipissing was an out and out speculation. For years she received substantial dividend cheques, and Nipissing became her chief source of investment income.

Lean years came when Nipissing's silver ore deposits at Cobalt were depleted, and the world price of silver dropped. Prices of Nipissing shares also fell, and with them the dividend payments. By 1933 dividends had ceased.

* * *

"Will Come Back"

URGED to sell her Nipissing stock, the woman refused. "I have had dividend cheques for years, and I am not going to sell my stock at prices that will mean a substantial loss," she declared. "I believe Nipissing will come back, if it has the same kind of management it has had since I bought the stock."

As a shareholder she was fully aware of the unfavorable aspects of the outlook, but so impressed was the woman by the record of the company and its ability to make money, that she determined to "hang on."

A small dividend rewarded her patience in 1934, and at the end of last year a further dividend of 25 cents a share was paid. Sale of the company's supplies of silver bullion may have helped, but through closely watching the company's affairs, the woman had more than optimism to guide her. She also watched prices and trends in oil.

* * *

Income From Oil

FOR the once-famous silver company now gets most of its income from oil. It still holds silver properties, as well as substantial interests in gold mining enterprises, but having acquired important oil leases in the U. S., its income from that source is now evidently sufficient to justify the largest dividend payment since 1930, with prospects that it may earn more in the future.

It is a striking example of the necessity, among women investors, to keep abreast of the times, to watch changing conditions affecting their investments, and to avoid being stampeded into speculation in times of temporary unpopularity for their tried and proven investments. In this instance, loyalty and common sense proved definitely to a woman's advantage.

Howard Smith Paper Mills Financial Plan Progresses

Preferred Shareholders Approve Proposal for Arrears — Ritchie Bonds Called — General Refunding Expected

From Our Own Correspondent

MONTREAL. — Plans of Howard Smith Paper Mills for simplification and consolidation of its funded debt structure are rapidly progressing.

At a special meeting of shareholders, the compromise plans proposed by the board in connection with the arrears of dividends on the preferred stock was approved. Under this arrangement arrears will be liquidated through issuing for each share of preferred held, one-eighth share of preferred, one share of common stock and a cash payment of $2.

Announcement also is made that Ritchie and Ramsay, Ltd., subsidiary of Alliance Paper Mills, which in turn is controlled by Howard Smith Paper Mills, will redeem on April 1 next, all its outstanding 7 per cent first mortgage bonds at 105 and accrued interest.

This is the third subsidiary company to have its bonds redeemed in the last three months. The Lincoln Pulp and Paper Co. 7½ per cent bonds were called for redemption on February 1 and the Georgetown Coated Paper Mills 6½ per cent bonds on the same date.

Pave Way for Refunding

The only Howard Smith subsidiary bonds still outstanding in the hands of the public, are those of Canada Paper Co. At the end of 1934 this company had outstanding $1,358,500 of 6 per cent first mortgage bonds.

There is no official intimation that the Canada Paper Co. bonds will be called for redemption, but, on the other hand, it is understood that Howard Smith Paper Mills contemplates a general refunding operation which will include the redemption of its own bonds.

The latter are outstanding to the extent of approximately $6.7 millions and carry a coupon of 5½ per cent.

With the present strong bond market, it is believed that the company could refund the balance of its direct and indirect debt on a more advantageous basis.

Notre Dame du Chemin Bonds Offered by Côté

From Our Own Correspondent

MONTREAL.—Lucien Côté, Quebec City, is making a public offering of $400,000, 4 per cent first mortgage bonds of the Parish of Notre Dame du Chemin (Quebec).

These bonds, part of an authorized issue of $450,000, are secured by first mortgage on all the properties held by the parish within the city of Quebec. Fire insurance is carried on all properties.

Proceeds of the issue will be used by the parish to redeem the balance outstanding of two issues, totalling $350,000, and bearing 5 per cent interest, and to consolidate the other debts of the parish.

The bonds mature in varying amounts from 1936 to 1948 and are offered by Lucien Côté Inc. at 100 and accrued interest.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
Assets over $14,000,000
3% PAID ON DEPOSITS 3½% ON DEBENTURES
Archibald McPherson, *President.* T. H. Main, *Manager.*

Of UNIFORM high quality
IN APPEARANCE. TEXTURE. COLOUR. DURABILITY
"These forms are standing up better, Miss Greig."
"They certainly are, Mr. White. That Dalhousie Bond is a big improvement in every way."

FOR YOUR OFFICE STATIONERY AND PRINTED SALES-PROMOTION MATERIAL.
STANDARDIZE ON
Dalhousie Bond
a high quality, watermarked bond of impressive appearance and uniformly fine printing surface. 8 brilliant colors and white.
THE E. B. EDDY COMPANY LIMITED - HULL, CANADA

Under Bond for $100,000

As an additional safeguard for trusts and estates under administration, Canada Trust Company employees are under bond for $100,000 collectively and individually.

Individual executors, on the other hand, do not furnish a bond for any amount as a guarantee of faithful management.

If you name an individual as executor you stake everything upon his personal integrity and financial responsibility.

The CANADA TRUST COMPANY
London Toronto Hamilton Windsor
St. Thomas Chatham Winnipeg Regina
Edmonton Vancouver Victoria

3½%
INVESTMENT DEBENTURES
Issued in sums of $100 and upwards for terms of from 5 to 10 years. Canada Permanent debentures are a Trustee investment.
FOUNDED 1855
CANADA PERMANENT
Mortgage Corporation
320 Bay Street, Toronto
Assets exceed $69,000,000

Province of Manitoba
3½% DEBENTURES
Due August 15, 1949
PRICE: 96.34 and interest, to yield 3.85%

These debentures are direct obligations of the Province of Manitoba, and are payable principal and interest from the Consolidated Revenue Fund of the Province.

Write or telephone WAverley 3681

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

New Industries

Industrial Minerals, Ltd., has been incorporated to begin work immediately on the salt deposits at McMurray, Alberta, under the managership of F. I. Batchelor. (Calgary Herald).

Bathurst Power & Paper Co. Ltd., Montreal, is increasing the capacity of its Fourdrinier Kraft Board machine from 30 thousand to 51 thousand tons per annum, and is proceeding to put into operation an additional machine to manufacture folding box boards of all kinds with a capacity of 30 thousand tons per annum. (Montreal Star).

London Can Co., Ltd., has been incorporated at London, Ont., Wm. H. Hutchinson to be manager. (Canadian Grocer).

Thermos Bottles are now being manufactured by General Steel Wares, London, Ont., for the first time at this plant. All types and sizes will be made and production will be about 1,000 a week, to be sold chiefly on the Canadian market. (London Evening Free Press).

B.C. PACKERS
Record of the business and possibilities of the common stock of reorganized company discussed in current memorandum.
Copy mailed on request
Greenshields & Co
Members Montreal Stock Exchange
Montreal Curb Market
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC
SHERBROOKE
54R

MILNER, ROSS & CO.
Members Toronto Stock Exchange
350 Bay Street Toronto
Telephone Waverley 1701
BONDS STOCKS

The Home Investment and Savings Association

Balance Sheet as at December 31st, 1935

ASSETS

Loans on First Mortgages on improved Real Estate—Less Reserve for Losses		$ 774,961.34
Agreements for Sale on Properties foreclosed and sold—Less Reserve for Losses		89,168.21
Interest on Mortgages and Agreements for Sale due and accrued—Less Reserve for Losses		40,390.16
Real Estate held for sale—Less Reserve for Losses		423,464.06
Tax Certificates		754.71
Office Premises—Less Reserve for Depreciation		82,830.77
Furniture and Fixtures—Less Depreciation		500.00
Investment Securities:		
Dominion and Provincial Government and Municipal Bonds and accrued interest	$187,048.62	
Industrial, Public Utility and other Bonds and accrued interest	134,079.58	
Industrial and Public Utility Stocks	30,840.00	
		351,968.20
Investment in Shares of Subsidiary:		
Home Securities Limited		5,000.00
Sundry Debtors		1,790.60
Cash on Hand and in Bank		30,630.64
Note:—Mortgages to the amount of $46,688.59 are deposited as collateral for debentures.		
		$1,801,458.69

LIABILITIES

To the Public:		
Currency Debentures and Accrued Interest	$ 96,927.53	
Sterling Debentures and Accrued Interest (£14,667 1s. 3d.)	71,428.61	
Deposits	205,240.23	
Accounts Payable, Sundry	5,836.96	
Solicitors' Abeyance Accounts	2,699.70	
Provision for Dominion Income Tax	2,408.33	
		$ 384,541.36
To the Shareholders:		
Capital Stock paid up: (Subscribed $1,000,000.00)	$996,400.00	
Reserve Fund	250,000.00	
Contingent Reserve	150,000.00	
Undivided Profits	20,517.33	
		1,416,917.33
		$1,801,[illegible]8.69

Approved on behalf of the Board.

M. F. CHRISTIE } Directors.
W. E. HOBSON

Profit and Loss Account

FOR THE YEAR ENDED DECEMBER 31st, 1935

Balance brought forward from previous year		$27,732.16
Less Adjustment of Income Tax for 1934		140.92
		$27,591.24
Net Profit for the year after deducting interest on Borrowed Capital and Expenses of Management	$28,016.15	
Less Dominion, Provincial and Municipal Business Taxes	3,463.57	
		24,552.58
		$52,143.82
Deduct:		
Amount transferred to Reserve for Loans and Real Estate	$27,626.49	
Amount transferred to Reserve for Depreciation of Office Premises	4,000.00	
		31,626.49
Balance of Undivided Profits as at December 31st, 1935		$20,517.33

Auditors' Report to the Shareholders

We have examined the accounts of The Home Investment & Savings Association for the year ended December 31st, 1935, and in accordance with the provisions of the Companies' Act (Manitoba) we have to report that we have obtained all the information and explanations we have required, and, in our opinion, the appended Balance Sheet as at December 31st, 1935, is properly drawn up so as to exhibit a true and correct view of the state of the Association's affairs as at December 31st, 1935, according to the best of our information and the explanations given to us and as shown by the books of the Association.

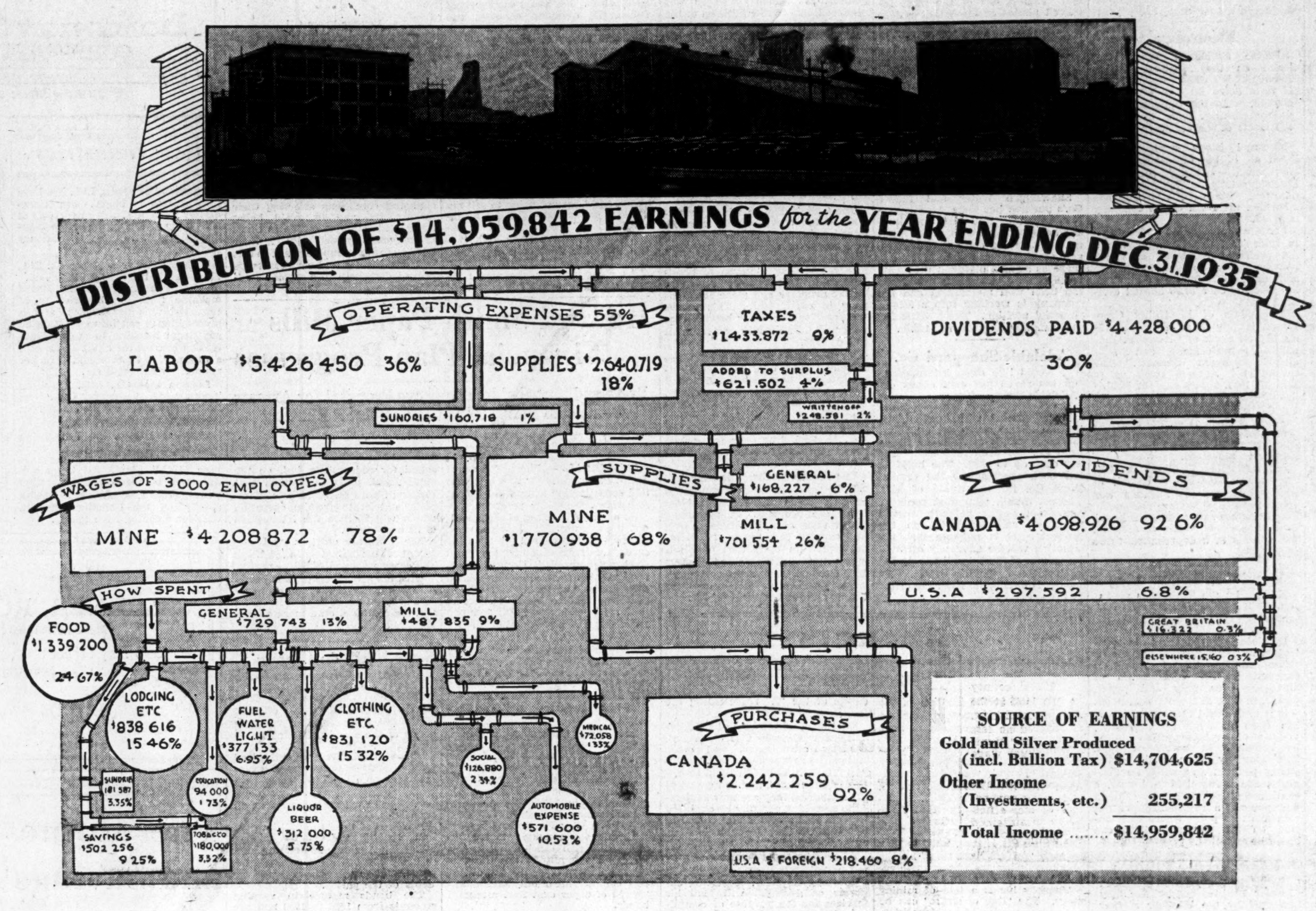
All the transactions of the Association that have come within our notice have been within the objects and powers of the Association, to the best of our information and belief.

PEAT, MARWICK, MITCHELL & CO.,
Auditors.

Board of Directors

President	Managing Director	Vice-President
M. F. CHRISTIE		JOHN A. FLANDERS
G. W. ALLAN, K.C.	W. E. HOBSON	W. A. MATHESON
R. J. GOURLEY		E. H. BENNEST, K.C.

Flowing Gold


DISTRIBUTION OF $14,959,842 EARNINGS for the YEAR ENDING DEC. 31. 1935
OPERATING EXPENSES 55%
LABOR $5.426 450 36%
SUPPLIES $2.640.719 18%
SUNDRIES $160.718 1%
TAXES $1433.872 9%
ADDED TO SURPLUS $621.502 4%
WRITTEN OFF $248.381 2%
DIVIDENDS PAID $4 428.000 30%
WAGES OF 3000 EMPLOYEES
MINE $4 208 872 78%
SUPPLIES
MINE $1770 938 68%
GENERAL $168.227 . 6%
MILL $701 554 26%
DIVIDENDS
CANADA $4 098.926 92 6%
U.S.A $297.592 6.8%
GREAT BRITAIN $16.322 0.3%
ELSEWHERE 15.160 0.3%
HOW SPENT
GENERAL $729 743 13%
MILL $487 835 9%
FOOD $1 339 200 24 67%
LODGING ETC $838 616 15 46%
FUEL WATER LIGHT $377 133 6.95%
CLOTHING ETC $831 120 15 32%
SOCIAL $126.880 2 34%
MEDICAL $72.058 1 33%
SUNDRIES 181 587 3.35%
EDUCATION 94 000 1 73%
LIQUOR BEER $312 000 5 75%
AUTOMOBILE EXPENSE $571 600 10.53%
SAVINGS $502 256 9 25%
TOBACCO $180,000 3,32%
PURCHASES
CANADA $2 242 259 92%
U.S.A & FOREIGN $218.460 8%

SOURCE OF EARNINGS

Gold and Silver Produced (incl. Bullion Tax)	$14,704,625
Other Income (Investments, etc.)	255,217
Total Income	$14,959,842

Disbursements from 1911 to 1935

Paid in Wages	$79,767,891.65
Paid in Supplies	$50,006,365.67
Paid in Taxes	$10,512,090.30
Paid in Dividends	$77,418,400.00

What "Hollinger" Means to Canadians

"Hollinger" has produced to the end of 1935, $212,235,421.35 in gold and silver. Over 92% of this NEW WEALTH has been distributed to Canadians. The laborer, the farmer, the manufacturer, the railroads, the investor, throughout Canada have all benefited by this production.

What Gold Mining Means to Canada

In April, 1933, the Premier of Canada stated: "I declare to you that the Gold Mines of Canada have, as much as any other single factor, made it possible for this Dominion to live up to its contracts and international obligations."

"Hollinger" is Proud of Its Contribution to the Welfare of Canada

Hollinger Consolidated
Gold Mines Limited

Mine and Head Office - - - Timmins, Ontario

THE FINANCIAL POST

SECOND SECTION

Vol. XXX Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, FEBRUARY 22, 1936 10c a Copy; $5.00 a Year No. 8

Higher Tariff On Furniture Held Urgent

Canadian Manufacturers Seek Protection Against U. S. Importations

EARNINGS AT LOW EBB

Same Basis is Asked as Tariff on Canadian Furniture Going Into U. S.

Raising of the intermediate tariff, now granted by Canada on furniture imports from the U.S., is sought by Canadian furniture manufacturers, through the Furniture Manufacturers Association.

The brief now before the tariff board at Ottawa seeks an increase in the tariff to 45 per cent. Even with this increase, it is held that U. S. manufacturers would still be in a more favorable position than before the Canadian-U. S. trade pact, since they would obtain "most favored nation" treatment in the form of a ten per cent reduction.

The reduction would make the net rate 40½ per cent, which, say the Canadian furniture manufacturers, is practically the same as imposed on Canadian furniture should it be imported into the United States.

New Valuation Basis

A further request of the industry is that the government put into effect valuation regulations that will control entry of low-priced, underpriced furniture from the United States.

The furniture makers' brief will be heard March 9

Filing of the brief reveals that while there are 383 furniture manufacturers listed in Canada, about 81 of these constitute the bulk of the industry.

Claims Are Advanced

The brief itself is signed by 65 firms comprising members of the association, and which are said to represent an output of $8.9 millions, or 92.5 per cent. of the total.

They submit that the industry was never one which enjoyed large profits and consists of many plants of moderate size, for the most part privately financed with no combination of units or trust dominating the industry.

Figures from a survey in 1918 by Clarkson, Gordon and Dilworth were given to show that in that year only 2.6 per cent was returned on capital employed and 3.1 per cent on total sales.

In 1933, it was stated, there was a loss equivalent to 10 per cent on capital and 12.6 per cent on sales. Figures presented before the Price Spreads Committee are also shown to indicate that 36 firms with a capital of $6.3 millions in 1934 sold furniture at a gross wholesale price of $6 millions, and on such sales sustained losses amounting to $265,000 or 4.34 per cent.

"Monopolistic Control"

One plea of the manufacturers is that "the monopolistic control from large stores and chain units has placed producers at the mercy of these fewer channels of distribution."

Thus it is stressed that while in 1926 there were 1,645 retail furniture dealers in Canada, this had dropped to 1,157 largely through elimination of smaller dealers.

Another claim is that "while wholesale prices were greatly reduced by manufacturers, there has been no corresponding reduction in retail prices. Many large retail units, because of their increased overhead, enlarge the advance on wholesale prices.

"Whereas in former years many stores showed the retail price at 60 per cent over the wholesale price, there has been during recent years an increase up to 100 per cent advance over wholesale prices.

"The primary producer of furniture has not, in any way, exploited the consumer, and his efforts to supply furniture at low prices have been considerably mitigated by the action of the retail trade in advancing the mark-up."

Southern U. S. Competition

Reference is made also to the development of furniture manufacturing in the southern states and the fact that prior to the depression this competition became so severe that after special investigation the government of the day placed valuation regulations against entries from four southern states, which were equivalent to an increase to a 42 per cent duty as compared with the general duty of 30 per cent.

In 1930, the general rate was raised to 45 per cent.

A further point stressed regarding the southern competition is that a large proportion of these imports were of suites which manufacturers had decided to discontinue and to the price of which there is generally applied a special discount ranging from 10 to 25 per cent, and in some cases 40 per cent.

"It is the sale of these goods," says the brief, "which is largely instrumental in creating unhealthy and injurious competition to the Canadian manufacturer."

Marketing Costs

According to a schedule of comparative figures, it is maintained that the necessary increase in price to enable Canadian manufacturers to place the same suite on the market ranges from 30 to 90 per cent, with an average for the six examples shown of 50 per cent. Examples are all taken from 1935 suites and prices.

Another point made by the manufacturers is that as a result of the industry taking advantage of the Industrial Standards Act to stabilize wage conditions, the whole industry in Ontario is now working under the furniture schedule agreed to by employee and employer.

This schedule, it is said, has increased the average rate of wages by about 25 per cent, thereby improving materially the conditions of all employees but causing an increase in the rate of overhead by reason of the heavier charges being spread over a lessened amount of output.

Canada—and the Next Five Years

Prominent Canadian Business and Professional Leaders Outline Main National Issues and Offer Solutions

Would Offer Self-Help And Wipe Out Dole

By C. H. CARLISLE

If I were to attempt to enumerate the five chief problems I feel Canadians must face now and in the next few years, I would put at the top of the list the abolition of the dole.

By this I mean this country must find ways and means of ridding itself of the burden of carrying those who are not actually incapacitated. It is imperative that those capable of employment and now unemployed be provided with the opportunity of employment. This I think can be done by making it possible to increase production.

C. H. CARLISLE

Need Lower Costs

Increased production is only possible by lowering of costs, which thereby lowers selling price and widens the market. This means a lowering of wages and the cost of living, so that wage earners do not suffer by the lower scale of wage rates.

A solution of this problem would probably mean the removal of the unemployed from large urban centres to established and comfortable but inexpensive homes built on small tracts of land not over five acres in size.

It is far better to build such homes and establish these people on this type of undertaking than on the expensive level maintained in our large urban centres where the opportunity for employment is limited and where upkeep of themselves and their families is necessarily excessive.

Cut Government Cost

2—The second problem I would list as being the unnecessary cost of government.

The number of people maintained on the payroll of our federal, provincial, municipal, county and township bodies is to me alarming and seems to be steadily growing rather than diminishing. I recall a survey of 1929 which showed no less than 140,000 persons on the pay roll of our municipal governments alone, with an annual wage and salary bill of $165,000,000.

It hardly seems reasonable that intelligent, law-abiding people, require so many for their government. It would appear that much greater efficiency in the country's affairs could be maintained if the number of such people was reduced to one-quarter of the present figure. This would produce an annual saving of many tens of millions of dollars, not only by reason of a direct saving in wages, but also in the upkeep, transportation and other costs which are involved in maintaining such services.

Provincial Governments

Perhaps at the time of our Confederation, provincial governments were necessary due to the lack of transportation and communication at that time. Today, adequate transportation and almost instantaneous communication are such as to do away almost entirely with the necessity of provincial government.

If certain localities still insist on having a local and provincial government, perhaps it is their own business, providing they pay their own expenses. But I cannot see what right they have to ask for federal aid, which can only be provided by contributions from all sections of the country.

Transportation

3—The third problem I would list is transportation.

I believe the high cost of transportation in this country and the losses accruing therefrom are due largely to absence of centralized control. I feel there should be a stabilization of rates in all kinds of transportation and equitable control as to operations.

End Rail Deficits

I seriously doubt if the taxpayers of this country will take kindly to any further excuses as to why further deficits should exist in the Canadian National Railways. The taxpayers of this country should not continue to be penalized for the gross mismanagement of our railway transportation system.

My thought is that there should be an appraisal made of our railway system to establish their capitalization on a current replacement basis. It is on this basis that both systems should be expected to make a fair return on the amount of money invested.

Inflation

4—The fourth problem I would cite as the detrimental effect of inflation.

It is quite an easy matter for a government or for governments to pay their internal indebtedness through excessive inflation. By that I mean by the printing of money regardless of the intrinsic value back of this money, or for governments to print bonds with no additional value back of these bonds and to sell them to the people.

Both these methods are about the same in result, but both create fiat credit. This expedient has been tried in many countries over long periods of time, and the result in each case has been nothing but disastrous.

I am quite sure that one of the things retarding investment and expansion in industry in this country is the fear of inflation. Under the same heading, I would place taxation whose aim is to confiscate accumulated wealth of incorporated bodies and of individuals.

More Public Interest

5—The fifth problem I would like to enumerate is the crying need in this country for a more intelligent and active interest by the people at large in their public affairs.

In a democracy such as we have in this country, such an interest is of vital importance to our welfare, for it is the voice of the people that rules in a democracy, and it is the people who choose the government, and when the personnel is chosen, these in turn become the representatives of the majority.

If the people who are furnishing the bulk of the money to maintain governments and people who are expected to furnish employment and aid in the development of the country would take as active a part in our national welfare as they do in their own business, governments would be in a far better position to give better results.

FOR the first time in four years Canada felt the warm blood of business recovery coursing through her veins in 1934. National income gained almost 20 per cent.

Last year these early gains were consolidated. The base of recovery was broadened. Despite rust and frost which cut down the wheat crop a further increase of six per cent in national buying power was chalked up. In addition 1935 witnessed a clearing of the political skies with a decisive federal election and several provincial contests.

The hope for continued business recovery in 1936, however, does not blind Canadians to the fact that many vital and critical problems still face the country. There is need on many fronts—financial, economic, social—for constructive and in many cases urgent action with a view to meeting and overcoming these problems. There is need also, for frank, constructive expression of opinion by business, professional and financial leaders on whom falls much of the ultimate burden of these national problems.

* * *

With this thought in mind The Financial Post has asked a group of leading citizens, scattered across the Dominion, to express their personal views on the following questions:

1. What are Canada's five chief problems?
2. How, in each case, should these problems be tackled?
3. What other considerations do you think essential in clearing away major barriers to recovery in Canada during the next five years?

To inaugurate this vital and far-reaching survey The Post publishes this week the replies of four highly-representative citizens:

Clifton H. Carlisle — who in recent years has crowned a quarter century of accomplishment as head of Goodyear Tire & Rubber Co. of Canada by his presidency of Dominion Bank, Canada Bread Co. and other industrial and financial directorships.

Sir Robert Falconer — internationally-known educationalist whose record of leadership during 25 years as president of the University of Toronto, from which he retired a few years ago, ranks him as an outstanding Canadian citizen.

Stephen Leacock — who completes this year an illustrious career as head of the economics department of McGill University and whose writings on economic and humorous subjects have made his name a household word throughout the Dominion.

Edward J. Young — foremost champion of free trade for Western Canada whose forceful, clear-thinking dissenting report to the government as a member of the recent Royal Commission on Price Spreads has brought him Canada-wide fame.

The views of other Canadians will be published in subsequent issues of The Financial Post.

Stick to Your Knitting, Advises Smelter's Head

I am fully occupied in minding my own business and as I am neither a prophet nor the son of a prophet I must not venture to peer into the future.

I will say this, though, that if everybody would mind his own business and keep from interfering with his neighbor, the country would make real progress in due course.—*James J. Warren, President of Consolidated Mining and Smelting Co.*

World Partnership Canada's Future

By SIR ROBERT FALCONER

Some of the greatest problems which confront Canada will not get their proper solution within the next five years; such as, for example, the over-government of the country in the three provinces by the Atlantic or in the three on the prairies; the mal-distribution of much of the population; reduction in our public indebtedness. But there are other problems which should be, if not solved, at least greatly relieved by the present government.

SIR ROBT. FALCONER

Employment

1—Of these I place as most important the securing of employment for those who are capable of working. No Canadian should be compelled to lose his self-respect because he cannot make a decent living. To have many of our people in this case means that we shall become economically, socially and politically unhealthy. This problem will depend for its complete solution on the solving of those that follow.

Wheat

2—The wheat situation needs the deepest pondering by our best economists and farmers. It will be solved not by securing for a few years more markets and higher prices. We must ask how much wheat we should grow, and in what proportion to other agricultural products. What amount of wheat will be best in relation to other outcome from the farms, if we are to have a prosperous agricultural people? This must be studied on a Dominion-wide scale.

Immigration

3—This leads to the problem of immigration. In the world that has been suddenly awakened to its economic deficiencies, we cannot simply sit tight permanently with closed doors; we must prepare ourselves to receive more population. It behooves our government to give this matter the attention which its importance deserves. What kinds of people should we welcome, in what numbers and over how long periods, in order that we may build up our country into strength and prosperity?

Railways

4—The railway problem. So many able and experienced men have been for years working on this problem, that we may have some confidence that the possible solutions are well known. We may demand that it be given non-partisan consideration. Probably no complete solution will come as a whole, but it will come gradually through minds which have been long pondering the difficulties. The welfare of the Dominion, as well as that of its parts, forbids a fixed and partizan outlook in regard to it.

Foreign Affairs

5—International Policy. Action upon this is now most urgent; nor shall we be able merely to drift into safety. We cannot hide behind the United States, for even they are in supreme perplexity just at present. Our future, I believe and hope, lies with the British Commonwealth, and especially with the British peoples. Happily we are in partnership with them as a member of the League of Nations, and that should be our foreign policy as long as the League continues to function, and now, that seems more likely to be for a long time than it did some years ago.

Canada should have a ministry of foreign affairs which will take them so seriously that they will get full and open discussion in parliament. Thus an interest in the outside world will be created in the minds of the people at large. What happens in Europe and in the Orient influences profoundly our material well being, and might at any time have repercussions in our own homes. Nothing would be so important to us, should we be faced with external dangers.

Private Honesty In Public Affairs

By STEPHEN LEACOCK

In Canada, as in every other modern democratic country filled with good resources and decent people, there is only one problem, that of public and civic honesty. If we had that, all the rest would be easy. But as it is, every attempt at dealing with a problem runs up against sectional interest, local interest, corporation and personal interest and an eagerness for personal gain that only stops short of actual crookedness and often goes beyond it.

STEPHEN LEACOCK

Honest at Poker

In other words, in public affairs we are all more or less crooks. It is a queer thing. If you and I sit down to a game of poker in a saloon, we are honest men. We wouldn't cheat the bartender out of five cents. We wouldn't use a cold deck or an extra ace or pinch the pot. You wouldn't rob my house and I wouldn't rob yours. Drop a dollar on the street and I'll pick it up and give it back to you.

But Crooks in Public

But when it comes to assessments, taxes, tariffs, exemptions, expropriations, where are we? When we sit in parliaments and city councils and company boards, we sink always below our poker game and saloon level. We are all out for all that we can get. We can't somehow bring our public and financial conduct to the high level of the saloon and the poker table. There we are gentlemen. In the office, we are crooks.

Apart from that, any of our public problems could be solved in six months. But the way is blocked at every stage by interest and intrigue.

Solving Rail Tangle

Let me illustrate it with the railway problem. To settle it, I would first close up every mile of road that didn't pay a return over operation and compensate the property owners and people along the line entitled to it. Here would come in crook's harvest number one,—as to what lines to close and whom to compensate and how much to pay. Our country and ourselves being what it is and what we are, this first round would lose the whole fight.

Next I would entirely wipe out and turn over as government public debt so much of the original cost and bonds that what was left would be only what the railway ought to be able to pay interest on. Here comes crook's harvest number two

Pay or Get Out

Then I would appoint directors or trustees as a railway board, or whatever you call them, and say, "Run the railway; if you can't pay operation costs and interest and a reasonable profit you lose your job. The sole test of success is whether you succeed." I would say to them,—"Make any arrangements you like with the C. P. R. You are now in the same boat. They've got to pay dividends or bust; you've got to pay a similar return or get fired. Pool your services, unite your stations,— any damn thing you like,— but **show returns.**"

After a year or two when the returns were there, I would amalgamate the two shows by making C. P. R. stock redeemable by the government.

Forty Years Behind

There would of course be a little technical skill needed. What is wanted on our railways is the service of men who know nothing of a railway, don't know one end of a box car from another, so that they can train the eye of innocence on a railroad and judge it properly. All our legislation and equipment and methods are exactly forty years out of date. They antedate the motor car.

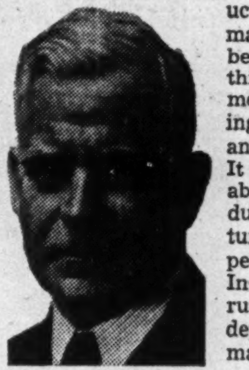
For a 100 mile run by day I'd have a train as light as a basket, airy as a garden and run at one cent a mile per passenger. That would kill the motor car. A passenger car is fifty times more comfortable. Five people at one cent bring more than one person at three cents.

More Export Trade Cited as Imperative

By E. J. YOUNG

In my opinion the five chief problems confronting the people of Canada are:

1—Markets. This is our greatest problem. We are finding difficulty in selling our surplus products abroad. One by one the markets of the world have been closing against us. If this process continues it will mean the ruin of our farming, lumber, pulp and paper and our fishing industries. It will also ruin a considerable part of our mining industry and those manufacturing industries that depend on the export market. In turn it will also mean the ruin of many industries that depend on the domestic market, for if those who produce goods for export are ruined, they will not make good customers for anyone else.


E. J. YOUNG

Can Get Markets

I believe markets can be found for our export products if we go the right way about it. Other countries are just as badly in need of external trade as we are, and I believe it is possible to make trade agreements with such countries. But we must approach them in the right spirit. We must be willing to buy as well as to sell. There is no use trying to negotiate with other countries if we are going to enter the negotiations determined not to buy anything that can be produced at home. If we are going to listen to every local industry that wants the Canadian market reserved for itself, we might as well make up our minds that our export trade is doomed.

Prices Too High

How about the domestic market? The trouble with the domestic market is that the majority of our people are not able to buy the things they need. The price is beyond their reach. Hundreds of thousands of houses are required in this country; but no one is building houses because houses cost too much. Millions of garments are required but people are not buying them because they cost too much. The same is true of furniture, radios, farm machinery, every form of wealth. There is a potential market in Canada for more goods than we can produce. Why are we not all busy supplying that market? Because of a maladjustment of prices.

Would Adjust Labor

We live by producing goods and exchanging them for other goods. In reality we are exchanging labor. Making due allowance for differences in skill and industry, labor should be exchanged on an equitable basis—a day of your labor for a day of mine. But a condition has arisen in Canada, under which the exchange of labor has become impossible, because some classes are insisting on getting several days of other people's work in exchange for one of their own.

When the Canadian farmer goes into the market to sell his product and to buy the products of others—that is—to exchange his labor for theirs, he finds that he is required to give three days of his labor for one of the industrial worker, four days of his for one of the professional man, five days of his for one of the civil servants, six days of his for one of the financial men. Under such conditions the farmer can't exchange labor with other classes. He can't buy their goods. Half the people of Canada live on farms.

Unemployment Will Cure Itself

2—Unemployment is the result of the condition described above. It will disappear of itself if we succeed in solving the problem of markets.

In the meantime the unemployed must be looked after. This should not be done by a programme of public works. The people of this country need many things more than they need public works. If the money now being spent on unnecessary public works were used to help people fix up their homes it would be more widely distributed throughout the country, it would not saddle the government with a maintenance cost later on, there would be more incentive to give value for the money, and there would be more chance of getting some of it back.

The above objections don't apply to public works that would open up new territory. Neither is this an argument in favor of a housing scheme.

Stop Borrowing

3—Debt—So far as I know, no estimate has been made of the net total of our public and private debts. The figures one sees are staggering, but they must include many duplications. Many people must be both debtors and creditors. But, be that as it may, the first thing to do about our debts is to stop borrowing. This applies particularly to governments. Private debts frequently disappear with the generation that contracted them.

But public debts are seldom either paid or outlawed. They go on forever. There should be some way of limiting the borrowing powers of public bodies.

The solution of Problem No. 1 would help solve the debt problem. It would put many people in a position to meet their obligations. It would increase government revenues and reduce relief expenditures, thus leaving the government something to apply on its debts.

Take Taxes Seriously

4—Taxation is a serious problem, but one that will not be solved until the public take it seriously. Governments know they will be criticized for spending the taxpayers' money. But they know they will be more severely criticized for not spending it. So long as the public insist on more government services and more government spending, taxes will continue to increase. The only remedy is a clearer understanding, on the part of the people, of what government spending involves.

The solution of problem No. 1 would spread the burden of taxation over a wider area, and make it easier to bear.

Need More Traffic

5—Railways—The only solution for our railway problem is more traffic. No reorganization, no amalgamation, no writing down, will make an idle railroad pay. The solution of problem No. 1 would do more than anything else towards solving our railway problem, and until problem number one is solved the railway problem cannot be.

Wide Changes Are Forecast In Radio Act

Present Commission to Go; Seek Murray or Brophy

SALARY IS QUESTION

New Body May Direct Network, With Wave-length Control By Government

From Our Own Correspondent

OTTAWA.—Out of this session of Parliament will come a new deal for radio.

The impending changes will go much wider and deeper than merely a reorganization of management. Vital questions affecting control of radio will be decided and already interested groups are bombarding the government with memoranda.

So far as management is concerned, the change in policy is pretty well decided.

The present commission of three members is to go. In its place will be a seven man commission with a general manager in direct control.

The commissioners will act largely in an advisory and honorary capacity; no salaries will be paid them. Selection of these men will await enactment of the legislation but, in a broad way, the government will choose leaders in education, music and business.

Salary Is Problem

The general managership will go to Gladstone Murray, of the B.B.C. if he can be persuaded to accept it. But as it will be impossible to pay him as high a salary as he now earns, the chances are not good.

Second choice is likely to be R. M. Brophy, the executive officer in charge of public relations of the National Broadcasting Commission at New York. Mr. Brophy is a Canadian.

Here again salary limitation is likely to prove an insurmountable obstacle. In the nature of things, the new commission can hardly pay more than $12,000 per year and both these men make double this amount and more.

Two Statutes Involved

There has been much ill-informed publicity in the past two weeks regarding the future of radio broadcasting. It has been said that the statutory authority upon which the present commission operates will lapse on March 31. This is not true.

There are two statutes now applying to the commission. One authorizes the commission and the other covers the personnel working for it.

It is the latter which lapses this spring and it is not suggested that the present personnel, subject to minor changes by the new management, will not go on.

The course to be followed by the government, in all probability, will be to introduce the new commission act and send it to a committee for consideration.

Questions to be Decided

In the committee, the future policy of radio control can be hammered out.

Should the new commission be confined to the operation of the national network and the preparation of programmes?

Should administration of wave lengths and regulation of privately owned stations be returned to direct control of a cabinet minister?

Ought private stations, over 100 kilowatts in power, be taken over by the government and added to the national network, or should the existing dual system be continued?

These are the questions which will have to be faced and in contrast to them, the changes in the commission itself appear unimportant.

To the extent that the government has reached conclusions, it seems that the weight of opinion favors division of the functions of the present commission.

It is felt that the new body should be confined to network operations and development of programmes, and that wave length control and regulation of privately owned stations should be the business of the government.

BETTER OUTLOOK FOR WOOD SALES LOOMS IN BRITAIN

Eastern Canada Commissioner Reviews Prospects for 1936

Encouragement for sales of Canadian lumber in Great Britain during 1936 is largely in the prospect of improved prices, according to K. G. Fensom, Eastern Canada Timber Commission. He submitted a comprehensive report of his work before the Canadian Lumbermen's Association annual meeting in Montreal.

"While I do not suggest," he said, "that there will be a sharp rise in price in 1936, it is at least reasonable to suppose there will be a steady improvement in the price structure, provided there is strict adherence to a sound and consistent merchandising policy."

Restrictive Agreement

Factors aiding in stronger prices he described as including the decision at a recent international timber conference at Copenhagen to reduce production by about 400 million feet. Sweden, Finland, Russia, Poland, Czechoslovakia, Austria, Jugo-Slavia and Roumania all participated in this agreement, and the total maximum exports from these countries is expected to be about 7.7 billion feet in 1936.

"Constant supervision of this restricted plan of exports," says Mr. Fensom, "will be exercised by the European Timber Convention, and it is fully expected that the reduced export will tend to stabilize European markets."

Quotations

Montreal, Toronto Listed and Curb Prices

This table is confined to official prices for actual transactions in listed stocks. Where no recent sale has taken place on stock exchanges, and for stocks that are not listed, The Financial Post endeavors to get quotations from unlisted dealers, which will be found under the heading of "Unlisted Stocks" on this page.

MONTREAL, TORONTO AND CURB STOCKS
WEEK ENDING FEBRUARY 17

Range 1936 High	Low	Div R'te $	Feb15 Y'ld %		Sales	Last Feb. 10	Week End. Feb. 17 H	L	Cl'se
				A					
2.50	1.35	*	...	Abitibi	38788	2.25	2.50	2.12	2.50
13	6¾	*	...	Do. pref. 6%	7638	11¾	13	10¾	10¾
12½	6¾	*	...	Do. cert. dep.	235	11½	12½	11½	12½
*7	3	.	...	Acme Glove	....	7	(Dec. 31, '35)		
47	47	3.25	6.9	Do. pref.	....	47	(Feb. 1)		
10	9½	40c	4.1	Agnew Surp.	20	9¾	9¾	9½	9½
105	100	7	6.7	Do. pref.	37	102	105	102	105
6	4	.	...	Alta. Pac. Gr.	125	5½	5⅞	5½	5¾
39	25	.	...	Do. pref.	110	35	38	35	38
*25	25	.	...	Aluminium	....	25	(May 17, '35)		
*97	97	.	...	Do. pref.	....	97	(Dec. 6, '35)		
3	2	.	...	Amal. Electric	35	2½	3	3	3
20	14	.	...	Do. pref.	15	18	20	18½	20
37¾	29¾	.	...	Amer. Cyn. B.	200	34	37¾	37¾	37¾
52½	51¾	3.50	6.7	Ang. Can. Tel p	....	52½	(Feb. 3)		
24	17½	.	...	Asbestos v. t.	1663	23½	23¾	21½	23
15	10	1	8	Assoc. Brew.	562	13	13	12½	12¾
110	108	7	6.4	Do. pref.	40	108	110	110	110
2¾	½	.	...	Assoc. Can.	275	2	1½	½	½
35	34	.	...	Assoc. T. & T. p	50	34	35	35	35
*105½	104½	7	...	Atlan. Sugar, p.	....	105½	(Nov. 25, '35)		
				W					
31½	26	.	...	Wabasso Cot.	580	28	28½	26	28
34¾	31½	50c	...	Walker-Good.	9833	32½	34¾	32½	33½
18¾	17½	1	5.4	Do. pref.	1697	18¾	18¾	18¾	18½
3½	2	.	...	Walkerville Br.	2670	3½	3½	3	3½
2.00	1.25	.	...	Waterloo Mfg.	215	1.95	2.00	1.75	1.75
10	6¾	.	...	West. C. Flour	150	8½	8	8	8
65	54	.	...	Do. pref.	85	55	56	54	54
50	46½	2	4.2	West. Grocers	34	48	50	49	50
107	107	7	6.5	Do. pref.	....	107	(Feb. 5)		
*120	120	7	...	W. Koot. Pr. pf.	....	120	(Jan. 29, '35)		
17¾	14¾	60c	3.7	Weston Ltd.	1480	15½	16¾	15¾	15¾
111	109¾	7	6.3	Do. pref.	10	111	110½	110½	110½
9	8½	.	...	Whittall Can.	....	9	(Jan. 25)		
121½	121½	6.50	5.4	Do. pref.	....	121½	(Jan. 15)		
*3	1	.	...	Windsor Hotel	....	1	(Oct. 26, '35)		
*8	1	.	...	Do. pref.	....	1	(Dec. 23, '35)		
4½	2¾	.	...	Winnipeg Elec.	2305	3¾	4½	3½	4½
17¾	10	.	...	Do. pref.	205	16½	17¾	17	17
53	38	.	...	Wood, A. & J. p	10	50	53	50	53
67½	52	.	...	Woods Mfg., pf.	52	58	60	58½	60
				Z					
3	2¾	.	...	Zimmerknit, c.	865	3	3	2¾	3
64	60	3.50▲	...	Do. pref.	25	62	64	64	64

* Quotations for 1935. No sales recorded in 1936 to date.
† Plus $33.25 on arrears. Comprising one funding right for each preferred share.
▲ On account of arrears.
b New York quotations.

Canadian Bond Markets

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)
February 18, 1936

Dominion of Canada Bonds

		Bid Feb. 18	Asked Feb. 18	Approx. Yield	Bid Feb. 12
Dominion .. 2	15 Oct. 1936	100.30	100.65	1.03	100.30
Dominion .. 5	15 Nov. 1936	102.65	103.00	.95	102.65
†‡Dominion .. 5	1 Mar. 1937	104.25	104.75	.42	104.25
‡Dominion .. 5½	1 Dec. 1937	108.05	108.45	.67	108.10
Dominion .. 2½	15 Oct. 1939	102.15	102.65	1.75	102.15
Dominion .. 4	15 Oct. 1939	107.10	107.65	1.83	107.50
Dominion .. 2	15 Nov. 1939	100.90	101.40	1.62	100.90
Dominion .. 4½	1 Sept. 1940	110.25	110.70	2.02	110.15
Dominion .. 5	15 Nov. 1941	112.80	113.30	2.50	112.55
Dominion .. 3	15 Oct. 1942	104.65	105.15	2.17	104.50
Dominion .. 2½	1 June 1943	102.00	102.50	2.13	102.05
Dominion .. 5	15 Oct. 1943	113.75	114.25	2.91	113.40
Dominion .. 4½	15 Oct. 1944	111.75	112.25	2.89	111.45
▪Dominion .. 2½	15 Aug. '43-45	97.95	98.50	2.68	97.60
Dominion .. 4	15 Oct. '43-45	108.05	108.55	2.74▲	107.90
Dominion .. 4½	1 Feb. 1946	111.65	112.20	3.07	111.45
Dominion .. 3½	15 Oct. '44-49	103.15	103.65	3.01▲	102.75
Dominion .. 4	15 Oct. '47-52	106.80	107.30	3.26▲	106.90
Dominion .. 3	1 June '50-55	97.60	98.10	3.13	97.25
Dominion .. 4½	1 Nov. '46-56	109.30	109.85	3.42▲	108.50
Dominion .. 4½	1 Nov. '47-57	109.30	109.85	3.49▲	108.50
Dominion .. 4½	1 Nov. '48-58	109.45	109.95	3.54▲	108.75
Dominion .. 4½	1 Nov. '49-59	109.55	110.05	3.58▲	108.75
▪Dominion .. 3¼	15 Jan. '56-61	99.65	100.25	3.23	99.25

Dominion Guaranteed Bonds

		Bid Feb. 18	Asked Feb. 18	Approx. Yield	Bid Feb. 12
*G. T. P. Ry. 3	1 Jan. 1962	99.25	100.25	2.97	98.75
Can. N. Ry. 3	1 May 1944	102.50	103.50	2.57	102.50
Can. N. Ry. 3	15 Dec. '45-50	97.50	98.50	3.12	97.00
*Can. N. Ry. 4½	1 Sept. 1951	112.75	113.75	3.38	112.50
*Can. N. Ry. 4½	1 Feb. 1956	113.00	114.00	3.52	112.75
†Can. N. Ry. 4½	1 July 1957	111.00	112.00	3.66	110.50
*Can. N. Ry. 4¾	15 June 1955	115.25	116.25	3.58	115.00
Can. N. Ry. 5	1 Feb. 1954	115.00	116.00	3.77	114.50
*Can. N. Ry. 5	1 July 1969	115.75	116.75	3.23▲	115.25
*Can. N. Ry. 5	1 Oct. 1969	117.50	118.50	3.58▲	117.25
*M. Harb. C. 5	1 Nov. 1969	117.75	118.75	3.56▲	117.25

Provincial Government Bonds

		Bid Feb. 18	Asked Feb. 18	Approx. Yield	Bid Feb. 12
Eastern—					
N. Bruns. .. 4	1 Sept. 1954	103.00	104.00	3.71	103.00
†N. Bruns. .. 4½	15 Apr. 1961	107.25	108.25	3.98	107.25
†N. Bruns. .. 5	15 Jan. 1960	113.00	114.00	4.08	113.00
N. Scotia .. 3	2 Sept. 1945	98.25	99.25	3.09	98.75
N. Scotia .. 4½	15 May 1943	107.00	108.00	3.25	107.00
†N. Scotia .. 4½	15 Sept. '47-52	108.25	109.25	3.55▲	108.00
†N. Scotia .. 5	1 Mar. 1960	114.50	115.50	4.00	114.75
*Ontario 4	1 June 1962	104.75	105.75	3.66	103.50
*Ontario 4½	1 Sept. 1944	109.00	110.50	3.09	109.00
Ontario 4½	1 June 1950	107.25	108.25	3.74	106.50
*Ontario 4½	15 Jan. 1962	108.75	109.75	3.91	108.00
Ontario 5	15 Oct. 1948	110.75	111.75	3.84	109.75
*Ontario 5	2 Dec. 1960	115.00	116.00	3.98	114.25
Ontario 5½	1 July 1946	113.00	114.00	3.86	112.25
O. H. C. 3½-4-5	1 Oct. '33-53	100.00	101.00	4.34●	100.00
Ont. Hyd. C. 4¾	1 Jan. 1970	109.00	111.00	4.15	108.50
P. E. I. 3	1 Oct. 1945	99.00	100.00	3.00	99.00
Quebec 4	15 Mar. 1952	106.50	107.50	3.40	107.00
Quebec 4¼	1 Aug. 1958	109.00	110.00	3.60	109.00
Quebec 4½	2 Jan. 1963	110.75	111.75	3.79	110.75
Western—					
Alberta ... 4	15 Dec. '49-54	86.00	88.00	4.97	87.00
†Alberta ... 4	1 Dec. 1957	87.00	89.00	4.82	88.50
Alberta ... 4½	1 Oct. 1951	90.00	92.00	5.24	91.50
†Alberta ... 4½	1 Oct. 1956	89.00	91.00	5.21	90.50
†Alberta ... 5	1 Jan. 1948	93.00	94.00	5.70	94.00
Alberta ... 5	1 Sept. 1955	92.00	*93.50	5.55	92.50
*Alberta ... 5	1 Oct. 1959	94.00	95.50	5.34	94.00
†Alberta ... 5½	1 Jan. 1947	96.00	97.50	5.81	96.50
Alberta ... 6	1 Mar. 1947	96.50	98.00	6.25	96.50
†Brit. Col. .. 4	1 Dec. 1957	96.00	97.50	4.17	96.00
*Brit. Col. .. 4½	15 Jan. 1951	99.50	101.00	4.40	100.00
†Brit. Col. .. 4½	1 Oct. 1953	99.00	100.00	4.50	99.00
†Brit. Col. .. 5	15 Jan. 1948	101.00	102.00	4.77	100.50
Brit. Col. .. 5	1 Sept. 1953	100.00	101.50	4.87	100.00
Brit. Col. .. 5½	1 Feb. 1945	101.50	102.50	5.15	101.25
Brit. Col. .. 6	15 Feb. 1947	102.50	104.00	5.50	102.25
Manitoba .. 4	2 Jan. 1950	99.00	100.00	4.00	99.00
†Manitoba .. 4	1 Dec. 1957	99.50	100.50	3.97	99.50
†Manitoba .. 4½	15 Dec. 1956	103.50	104.50	4.17	103.50
†Manitoba .. 5	15 June 1954	107.00	108.50	4.33	107.00
*Manitoba .. 5	2 Dec. 1959	109.50	110.50	4.29	109.50
Manitoba .. 5½	1 Oct. 1955	107.50	109.00	4.79	107.50
Manitoba .. 6	1 Apr. 1947	109.00	110.50	4.80	109.00
Sask. 4	15 Aug. 1953	91.75	92.75	4.61	91.75
Sask. 4	1 Nov. '55-60	91.00	92.00	4.54	91.00
*Sask. 4½	2 July 1945	99.50	101.00	4.37	99.50
†Sask. 4½	1 Oct. 1951	98.00	99.00	4.58	97.50
†Sask. 4½	15 Mar. 1960	97.00	98.00	4.63	97.00
Sask. 5	1 Aug. 1958	100.00	101.50	4.84	100.50
†Sask. 5½	15 Nov. 1946	103.00	104.00	5.02	103.00
Sask. 5½	1 Oct. 1952	103.00	104.00	5.14	103.00
Sask. 6	15 Mar. 1952	106.00	107.00	5.35	105.50

Municipal Bonds

		Bid Feb. 18	Asked Feb. 18	Approx. Yield	Bid Feb. 12
†Calgary ... 5½	2 June 1944	85.00	90.00	7.12	85.00
†Edmonton . 5½	1 Nov. 1945	86.00	90.00	6.90	86.00
†Halifax 5	1 July 1961	112.50	113.50	4.14	112.50
Hamilton .. 5	1 May 1950	105.00	108.00	4.25	105.00
Montreal .. 5	1 Mar. 1945	105.50	107.50	4.00	106.00
Ottawa 4½	1 July 1945	107.00	110.00	3.26	107.00
†Quebec 5	1 June 1959	109.00	110.00	4.32	108.00
Regina 5	1 July 1944	88.00	92.00	6.18	88.00
St. John ... 5	15 Dec. 1950	107.50	108.50	4.23	107.50
†Toronto ... 4½	1 Jan. 1955	108.00	111.00	3.69	107.00
Vancouver . 5	1 June 1969	91.50	93.50	5.43	91.50
Victoria ... 5	21 July 1945	95.00	98.00	5.28	95.00
Winnipeg .. 5	1 Mar. 1944	104.00	106.00	4.12	104.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ●Calculated to maturity although callable prior to that date. ‡Exempt from Dominion income tax. ▪Payable in N.Y.

The Financial Post's Quotations

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of an approximate price is better than none at all.

Mining Stock Quotations

WEEK ENDING FEBRUARY 17

Par Val.	Range 1936 High	Low	Company	Sales	Close Feb. 10 (or last)	High for week	Low for week	Close Feb. 17
1	.70	.57	Afton	22,400	.62	.64	.58	.61
No	.16	.07	Aldermac	310,056	.15	.16	.11	.12
1	.03¾	.01½	Alexandria	319,700	.02½	.03½	.02½	.03
No	.08½	.03½	Algoma	352,800	.07	.08½	.07	.08
No	4.85	4.10	Anglo-Huronian	4,893	4.35	4.85	4.40	4.85
No	.04	.02	Arno	10,500	.03½	.04	.03½	.03⅞
1	.97	.79	Arntfield	6,375	.85	.90	.79	.85
1	.25	.14	Ashley	48,117	.20	.24	.19	.19
1	.06½	.02½	Astoria Rouyn	167,600	.04½	.06½	.04½	.06
1	.11	.05½	Bagamac	202,000	.09½	.10½	.08½	.09
1	.07	.03½	Barry Hollinger	217,550	.04½	.07	.04½	.05½
1	.40	.28	Base Metals	31,115	.30	.33	.30	.30½
1	.50	.33	B.E.A.R.	3,100	.35	.38	.33	.36
No	1.84	1.45	Beattie Gold	12,123	1.65	1.70	1.63	1.65
1	.78	.64	Big Missouri	26,234	.69	.70	.64	.66
1	.24	.18	Bobjo	47,830	.21½	.21½	.19½	.19½
No	7.15	5.55	Bralorne	5,075	6.65	6.90	6.60	6.85
1	.40	.25	Brazil Gold	7,400	.31	.34	.25	.30
1	.04½	.02	Brett Trethewey	39,000	.03⅞	.04½	.03½	.03½
50c.	.12½	.09	B.R.X. Gold	7,200	.10	.11	.10	.11
1	6.50	3.80	Buffalo Ankerite	24,164	5.75	6.50	5.65	5.70
No	.04½	.02	Buffalo Can.	102,400	.03½	.04½	.03½	.04
5	37.00	32.00	Bulolo Gold	225	36.00	35.00	34.25	34.25
No	.17½	.06	Bunker Hill	313,280	.13	.17½	.12½	.14
No	1.45	1.05	Can. Marlartic	28,241	1.28	1.27	1.20	1.20
1	1.35	1.15	Cariboo Gold	1,675	1.25	1.35	1.27	1.35
1	.05	.02	Cartier Malartic	40,100	.04	.05	.03½	.04½
1	1.69	1.24	Castle Trethewey	16,950	1.55	1.55	1.48	1.54
1	.25	.11½	Cen. Manitoba	133,625	.17½	.25	.17	.23½
1	3.44	2.81	Cen. Patricia	41,665	3.07	3.21	3.04	3.12
No	.63½	.19½	Chibougamau Pros.	202,685	.42	.51½	.44	.49
No	.07½	.03½	Church M. & Mill	121,500	.06½	.07½	.06	.07
No	.04⅞	.03	Clericy	231,250	.03½	.04½	.03½	.04½
5	4.50	3.50	Coast Copper	3,490	3.75	4.50	3.50	4.25
1	.03½	.01½	Cobalt Contact	120,000	.02½	.03½	.02½	.03
5	3.35	2.80	Coniagas	5,575	3.00	3.35	3.10	3.10
No	2.25	1.80	Coniaurum	3,455	1.91	2.01	1.95	2.00
25	240.00	200.00	Cons. Smelters	1,062	229.00	239.00	229.00	237.00
No	52.00	41.75	Dome Mines	2,025	49.25	49.75	48.25	49.25
1	.07	.04½	Dom. Explorers	7,120	.05½	.07	.06	.06½
1	.10½	.08	Duparquet	39,175	.09	.09	.08	.08½
1	1.26	1.06	Eldorado	21,940	1.18	1.23	1.15	1.20
No	9.00	6.90	Falconbridge	43,767	8.35	9.00	8.35	8.75
1	.10	.03	Federal	144,900	.05½	.10	.05½	.09
No	.44	.23	Francoeur Gold	145,368	.44	.43	.32	.33
1	.10½	.05	Franklin Gold	483,400	.08	.10½	.07½	.09½
No	1.45	1.20	God's Lake	39,464	1.31	1.31	1.20	1.22
1	.26½	.14½	Goldale	241,050	.17½	.26½	.17	.25
50c.	.40	.30	Gold Belt	1,500	.38	.38	.35	.35
1	.23½	.06	Goodfish	119,600	.19	.22	.18	.21
1	.07½	.03	Graham Bosquet	115,650	.05½	.07½	.05½	.07
1	.31	.19	Granada Gold	13,409	.22	.26	.22	.24
No	.09	.05⅞	Grandora	18,000	.07	.09	.07	.07½
1	.36	.23	Greene Stabell	88,200	.27	.36	.26	.35
1	.09	.09	Grull Wihksne	......	.09	(Jan. 14)		
1	.94	.77	Gunnar Gold	11,457	.86	.88	.84	.85
1	.05	.02	Halcrow Swayze	14,700	.04½	.05	.04	.04½
1	.70	.30	Hard Rock	196,150	.50	.70	.46	.68
1	.10½	.07	Harker	40,250	.07½	.09½	.07½	.08½
5	17.25	13.75	Hollinger	9,636	15.75	16.00	15.62	15.87
1	.75	.62	Howey Gold	16,575	.68	.68	.65	.68
No	28.12	22.87	Hudson Bay	9,164	27.00	28.00	26.50	28.00
1	14.25	11.50	Inter. Mining	120	14.00	14.25	14.00	14.25
1	4.10	4.10	Do., Pur. Warr.	......	4.10	(Jan. 13)		
No	51.37	44.12	Int. Nickel	90,065	48.75	51.37	48.75	50.75
1	.58	.28½	J. M. Cons. Gold	183,523	.47	.54	.42	.51
1	.55	.40	Kerr Lake	800	.50	.55	.55	.55
1	.62	.30	Kirk. Hud. Bay	2,100	.55	.50	.50	.50
1	.58	.48½	Kirkland Lake	27,445	.49	.51	.49	.50
1	.03½	.03½	Kirk. Premier	......	.03½	(Jan. 13)		
1	.22	.14½	Kirk. Townsite	4,100	.20	.18	.16	.17
No	.09½	.03	Lake Maron	798,700	.07½	.09½	.07½	.08½
1	59.12	51.75	Lake Shore	4,845	57.50	57.75	57.12	57.50
1	.19	.05	Lamaque Contact	257,200	.17½	.18	.13½	.15
1	.23	.12	Lebel Oro	102,625	.19	.21½	.18	.19½
1	.06½	.02⅞	Lee Gold	154,200	.04	.04½	.04	.04
No	7.75	6.50	Little Long Lac	6,485	7.05	7.30	7.05	7.20
1	4.60	3.12	Macassa	81,760	4.10	4.50	4.06	4.30
1	.07	.01½	Malrobic	463,030	.07	.07	.04½	.04⅞
No	.20	.12	Mandy	7,550	.15	.18	.15	.18
No	.15	.05½	Man. & Eastern	235,700	.12	.15	.12½	.14
1	.15	.05½	Maple Leaf	69,350	.12	.13½	.11½	.13½
5	49.25	40.75	McIntyre	1,379	45.50	46.00	45.12	45.37
1	1.62	1.39	McKenzie R.L.	21,680	1.52	1.52	1.45	1.46
1	.56	.50	McKinley	37	.50	.50	.50	.50
1	.14	.02½	McMillan	196,320	.09½	.14	.09½	.12
No	1.65	1.41	McWatters	20,050	1.45	1.50	1.41	1.48
1	.42	.21	McVittie	52,248	.34½	.37	.32	.35
No	1.50	1.25	Mining Corp.	46,750	1.41	1.45	1.35	1.43
No	.11	.07½	Minto Mines	......	.07½	(Jan. 16)		
1	.12½	.06	Moffatt Hall	75,950	.06	.12½	.07	.12
1	.13	.06½	Moneta	14,300	.10½	.13	.10½	.11½
1	.77	.58	Morris Kirk	73,350	.67	.77	.67	.77
1	.04	.00½	Murphy	435,650	.03½	.04	.03	.03½
No	.04	.02	Newbec	150,300	.02½	.04	.02½	.04
1	.04½	.01½	Night-Hawk Penn.	338,300	.02⅞	.04½	.03	.03½
5	3.05	2.45	Nipissing	6,705	2.89	2.95	2.81	2.90
No	49.50	44.50	Noranda	17,531	47.25	49.00	46.87	48.00
No	.42	.28½	Nor. Canada	12,950	.41	.41	.35	.37
1	.70	.34	O'Brien	3,890	.55	.56	.55	.56
1	.11	.07	Osisko	10,000	.10	.10½	.09½	.10
No	4.85	3.70	Pamour	16,270	4.08	4.24	4.10	4.20
1	.28	.18½	Parkhill	122,380	.23	.27	.22	.24½
1	.04½	.02½	Pawnee Kirk	41,600	.03½	.04½	.03½	.04½
1	.84½	.50½	Paymaster	134,715	.81	.82	.75	.80½
1	1.19	1.00	Pend Oreille	9,745	1.06	1.19	1.03	1.18
1	1.75	1.12	Perron Gold	31,740	1.59	1.61	1.48	1.52
1	.04⅞	.02½	Peterson Cobalt	83,200	.04	.04⅞	.04	.04½
1	5.00	4.10	Pickle Crow	32,485	4.72	4.73	4.60	4.69
1	12.00	9.60	Pioneer Gold B.C.	3,160	11.00	10.95	10.00	10.25
1	.12½	.04	Porcupine Crown	352,710	.09	.12½	.08	.11½
1	1.95	1.80	Premier Gold	1,770	1.86	1.89	1.85	1.88
1	.05⅞	.02½	Preston E. Dome	123,100	.04	.04½	.03½	.04
No	3.25	2.65	Prospectors Air's	3,150	2.95	3.00	2.80	2.80
1	1.34	1.00	Quebec Gold	14,850	1.20	1.20	1.10	1.12
No	.07½	.04	Quemont	500	.07½	.06	.06	.06
1	1.95	1.43	Read Authier	32,505	1.75	1.87	1.71	1.79
No	.94	.50	Red Lake	97,800	.84	.87½	.75	.79
1	1.18	1.01	Reno Gold	13,700	1.11	1.12	1.10	1.10
1	.05½	.01	Ritchie	349,720	.03½	.05½	.03½	.04
1	.08½	.05½	Robb Montbray	150,500	.07½	.08½	.07½	.07
1	.09½	.05½	Roche Long Lac	85,000	.07	.09½	.07	.09
1	3.45	2.98	San Antonio	10,505	3.24	3.25	3.15	3.17
50c.	.72	.56	Sheep Creek	1,600	.69	.65	.64	.64
1	1.30	1.00	Sherritt Gordon	163,209	1.02	1.30	1.04	1.23
1	3.40	2.87	Siscoe	39,465	3.17	3.30	3.17	3.26
1	6.25	4.40	South Amer. Gold	......	5.85	(Feb. 4)		
No	.08½	.04	South Tiblemont	272,260	.06	.08½	.07	.07
No	.35	.18½	Stadacona	437,090	.31	.35	.30	.35
1	.38½	.18	St. Anthony	98,500	.33	.36	.30	.36
No	4.65	3.00	Sudbury Basin	29,310	4.08	4.65	4.10	4.55
1	.11½	.06	Sudbury Contact	98,600	.08½	.11½	.09	.11
1	.06	.03½	Sudbury Mines	183,000	.04½	.06	.04½	.05
1	1.15	.87	Sullivan Cons.	42,147	1.05	1.06	1.00	1.03
1	2.90	2.45	Sylvanite	32,130	2.76	2.85	2.70	2.76
1	.42	.28	Tashota	21,050	.34½	.36	.30	.35
1	5.40	4.83	Teck Hughes	15,410	5.00	5.05	4.95	5.00
1	.04½	.02	Timiskaming	48,500	.03½	.03½	.02½	.03
1	1.50	1.20	Toburn Gold	4,528	1.43	1.48	1.38	1.38
1	.37	.20	Towagmac	19,200	.36	.36	.31	.31
1	.40	.30	Treadwell	300	.30	.40	.40	.40
No	2.30	1.60	Ventures	132,050	2.00	2.30	2.00	2.24
No	1.30	1.00	Waite Amulet	19,258	1.07	1.29	1.08	1.23
50c	.21	.15½	Wayside	383,250	.15½	.21	.15½	.18½
No	.04½	.03	White Eagle	98,400	.03½	.04½	.03½	.04½
1	.08	.03	Wiltsey Coughlan	18,800	.06½	.07	.06	.06
1	.07½	.04	Wood Kirkland	24,600	.05½	.07½	.05	.07½
No	9.00	7.75	Wright-Hargreaves	7,405	8.50	9.00	8.40	8.70
No	.71	.41	Ymir Girl	2,400	.60	.60	.52	.55

OIL STOCKS

Par Val.	Range 1936 High	Low	Company	Sales	Close Feb. 10 (or last)	High for week	Low for week	Close Feb. 17
No	.18½	.14½	Acme Gas & Oil	22,700	.17	.18	.16½	.17½
1	.70	.50	Ajax	15,575	.65	.69	.60	.67
No	1.08	.65	Calgary & Ed.	12,595	.90	1.08	.90	1.02
1	.14	.05	Calmont	26,575	.08½	.14	.08	.11
No	.09	.04½	Common Pete	4,225	.06	.09	.06	.08½
No	.73	.40	Dalhousie	45,042	.54	.73	.49	.65
No	.13½	.06	East Crest	62,988	.08	.13½	.08½	.11
No	.65	.35	Foothills	5,750	.50⅞	.70	.35	.66
No	.13	.13	High Sarcee	......	.13	(Jan. 10)		
No	1.05	.70	Home	58,719	.80	1.05	.75	1.00
1	.30	.11	Homestead O & G	229,700	.23½	.30	.23½	.30
No	.14½	.09	Lowery	7,100	.09	.14½	.12	.14
No	.22	.13	Merland	45,100	.15	.22	.15	.20
5	.22	.15	Nordon	38,750	.16	.22	.16	.19⅞
No	.07	.04½	Oil Selections	24,100	.05½	.06⅞	.05½	.06½
No	.07½	.04½	Olga Gas & Oil	236,200	.05½	.06½	.05½	.06
1	.75	.55	Petrol Oil & Gas	48	.65	.70	.61	.61
No	37.00	29.00	Royalite	11,781	33.00	37.00	32.37	36.00
No	.10	.10	South West Pete.	1,000	.08	.10	.10	.10
No	4.60	1.63	Texas Can.	119,803	3.74	4.60	3.75	4.05

VANCOUVER STOCK EXCHANGE
(Transaction for Week to February 14)

Par Val.	Range 1936 High	Low	Company	Sales	Close Feb. 8 (or last)	High for week	Low for week	Close Feb. 14
1	.02½	.01½	Alexandria	......	.02½	(Feb. 4)	.02½	.02½
20c	.04	.02½	Beaver Silver	2,500	.03	.03	.02½	.02½
25c	.01	.01	Bluebird	......	.01	(Jan. 10)		
No	7.10	5.60	Bralorne	3,746	6.70	6.90	6.65	6.85
1	.04½	.03	Bridge River Cons	5,500	.03½	.03½	.03	.03½
50c	.12	.08½	B.R.X. Gold	2,900	.10½	.11	.10½	.10½
1	.23½	.17½	B.C. Nickel	70,850	.19	.23½	.18½	.22½
1	1.60	1.50	B.C. Silver	......	1.50	(Feb. 6)		
50c	.07½	.04	Canadian Rand	20,805	.05	.07½	.05	.07
1	1.30	1.15	Cariboo Gold	2,600	1.29	1.30	1.25	1.30
1	.18	.12½	Congress Gold	1,000	.13	.12½	.12½	.12½
1	.04	.02½	Cotton Belt	......	.04	(Jan. 23)		
No	.36	.22	Dentonia	8,750	.24	.24½	.23	.24
No	.04½	.02	Dictator	12,000	.03	.03½	.03½	.03½
1	.04½	.03½	Dunwell	......	.04½	.....	.....	.....
No	.08	.03	Fairview Amal.	2,000	.04	.03	.03	.03
50c	.45	.35	Fawn Mining	4,200	.45	.43	.40	.40
1	.10½	.04½	Federal Gold	1,500	.04½	.04½	.04½	.04½
1	.25	.20	George Copper	500	.20	.21	.21	.21
50c	.05½	.05	George Enterprise	......	.05	(Jan. 11)		
1	.01½	.01½	Georgia River	15,000	.01½	.01½	.01½	.01½
1	.21	.11	Golconda	5,600	.19	.19½	.18	.18
50c	.39½	.29	Gold Belt	4,500	.38	.38	.36	.36
50c	.07½	.05	Gold Mountain	33,050	.05	.07½	.05	.07
50c	.03½	.02½	Grandview	3,000	.03	.02½	.02½	.02½
No	.04½	.02	Grange Mines	7,000	.02½	.03½	.02½	.02½
1	.10½	.08	Grull Wihksne	1,000	.08	.08	.08	.08
25c	13.50	13.00	Hecla	......	13.00	(Jan. 14)		
No	.03	.03	Haida Gold	......	.03	(Jan. 30)		
50c	.27	.25	Hedley Amal.	12,600	.25½	.25½	.25	.25
*No	.12	.04	Hedley Sterling	......	.05	(Dec. 24, '35)		
No	.05	.02½	Home Gold	1,000	.02½	.03	.03	.03
1	.00½	.00½	Independence	......	.00½	(Jan. 31)		
1	.02½	.02	Indian Gold	7,500	.02	.02	.02	.02
50c	1.40	.95	Island Mountain	2,230	1.25	1.30	1.20	1.20
1	.20	.18	Inter'l Coal	......	.20	.....	.....	.....
50c	.46	.30	Kootenay Belle	6,300	.34	.36½	.35	.36
20c	.00½	.00½	Koot. Florence	......	.00½	(Feb. 4)		
*25c	.01½	.00½	Lakeview	......	.00½	(Nov. 29, 35)		
10c	.01½	.01½	Lucky Jim	......	.01½	(Jan. 10)		
No	.14½	.08½	Mak Siccar	9,000	.11	.12	.11	.11½
1	.15	.12	McGillivray Creek	250	.15	.12	.12	.12
50c	.13	.07½	Meridian Min.	3,800	.12	.11	.10	.10
No	.12	.07	Minto Mines	21,800	.08½	.09	.08	.08
No	.03½	.02½	Morning Star	10,600	.02½	.02½	.02½	.02½
1	.00½	.00½	Morton Woolsey	......	.00½	(Jan. 7)		
25c	.03	.02	National Silver	4,000	.02½	.03	.02½	.03
50c	.12	.07½	Nicola	11,450	.11	.10½	.07½	.08
50c	.05	.03½	Noble Five	22,250	.04½	.04½	.04	.04½
No	.03½	.02	Pilot Gold	6,000	.03	.03	.03	.03
1	11.85	9.60	Pioneer Gold	605	10.85	11.00	10.00	10.75
50c	.05	.04½	Porter Idaho	450	.04½	.04½	.04½	.04½
No	.00½	.00½	Premier Border	......	.00½	(Jan. 31)		
1	.01½	.01	Quatsino Copper	1,100	......	.01½	.01	.01
25c	.05	.05	Quesnelle Quartz	......	.05	(Feb. 4)		
No	.10	.08	Reeves McDonald	......	.10	(Feb. 7)		
1	.48	.36	Relief Arlington	3,900	.46	.45	.42	.45
1	1.17	1.00	Reno Gold	10,900	1.08	1.13	1.09	1.11
1	.02½	.02	Reward Mining	......	.02	(Feb. 5)		
1	.03	.01½	Ruth Hope	1,000	.01½	.03	.03	.03
1	.15	.12	Sally Mines	......	.12	(Feb. 12)		
50c	.13½	.09	Salmon Gold	1,500	.09	.09½	.09½	.09½
50c	.72	.55	Sheep Creek	2,900	.65	.68	.62	.62
25c	.00½	.00½	Silvercrest	1,000	.00½	.00½	.00½	.00½
20c	.01½	.01	Silversmith	400	.01½	.01	.01	.01
50c	.00½	.00½	Snowflake	......	.00½	(Feb 1)		
1	.54	.45	Standard Silver	600	.40	.50	.49	.49
10	24.25	24.25	Sunshine	......	24.25	.....	.....	.....
No	.15	.07½	Taylor Bridge	......	.07½	(Feb. 8)		
1	.11	.08½	Taylor Windfall	......	.08½	(Feb. 7)		
50c	.02	.02	United Empire	......	.02	(Jan. 30)		
No	.90	.65	Vidette Gold	200	.79	.78	.78	.78
No	.00½	.00½	Viking Gold	......	.00½	(Jan. 30)		
No	.01½	.01	Waterloo Gold	1,000	.01	.01½	.01½	.01½
25c	.00½	.00½	Waverley Tangier	28,500	.00½	.00½	.00½	.00½
50c	.19½	.15½	Wayside	54,150	.16	.19½	.15½	.18
20c	.01½	.01½	Wellington	1,000	.01½	.01½	.01½	.01½
1	.05½	.04½	Whitewater	5,000	.04½	.04½	.04½	.04½
No	.60	.42	Ymir Yankee Girl	1,000	.60	.54	.54	.54

OIL STOCKS

Par Val.	Range 1936 High	Low	Company	Sales	Close Feb. 8 (or last)	High for week	Low for week	Close Feb. 14
1	.15½	.09	Alta. Pac. Cons.	5,570	.12	.15½	.13	.15
1	.08	.05	Amalgamated	14,500	.07	.08	.07	.08
1	.03½	.03½	Anaconda	11,500	.03	.03½	.03	.03½
No	.03	.02	Baltac	2,500	.02½	.02½	.02	.02½
1	.08	.05	Crow's Nest	7,400	.06½	.08	.06½	.07½
No	.03	.03	Devenish	4,100	...	.03	.05	.05
No	.12½	.07½	Freehold	21,200	.08	.10	.08	.09½
No	.06	.04½	Hargal	1,400	.05	.06	.05	.05½
No	.14	.12	High Sarcee	1,500	.13½	.14	.13½	.14
No	.01	.01	Homestead	......	.01	(Feb. 1)		
No	.01½	.01	Madison	10,500	.01	.01½	.01½	.01½
No	.14½	.11½	Marjon Oil	19,150	.13½	.14½	.12½	.13
No	.07½	.05	McD. Segur Ex.	19,800	.05½	.07½	.06½	.07½
No	.28	.20	McLeod (New)	1,500	.21	.28	.28	.28
No	.16½	.12	Mercury	27,030	.14	.16½	.13½	.16
No	.15	.08	Mill City Pete	100	.15	.08	.08	.08
1	.25	.20	Model	1,500	.20	.25	.21	.25
No	.05	.04	Okalta	3,000	.05	.05	.05	.05
No	.06	.04½	Pacalta Oil	12,000	.05	.06	.04½	.05½
1	.60	.52	Ranchmen's	4,990	.54	.67	.57	.66
1	.26	.18	Spooner	2,250	.18	.26	.23	.23
No	.07½	.05½	United	3,300	.06	.07½	.06	.07½
No	.06½	.05	Vanalta	3,000	.06	.06½	.06½	.06½

*Quotations for 1935. None recorded in 1936 to date.

Corporation Bonds

(Furnished by Toronto Bond Traders' Assoc.)
February 18, 1936

Public Utility Issues:	Int. Rate %	Due	Bid Feb. 18	Asked	Bid Feb. 11
‡Avalon 'Phone.	5½	'48	101	...	101
Beauharnois	5½	'73	87	90	81½
Beauharnois	5	'73	30½	33½	25
*Bell T'phone	5	'55	115	117	115
*Do.	5	'57	118	121	...
†B. C. Power	5	'60	104	107	103½
†Do.	5½	'60	105	108	105
†B. C. T'phone	5	'60	107	110	106½
†Calgary Pwr.	5	'60	102	105	101½
Do.	5	'64	98½	101½	98½
‡Can. Nor. Pr.	5	'53	102½	105	102½
Dom. Gas	6½	'45	92½	95½	92
‡Duke-Price Pr.	6	'66	104½	106½	104½
*Gatineau Pwr.	5	'56	94	97	93½
*Do., A	6	'41	87	90	86
*Int'l. Hydro	6	'44	54½	57½	52½
†Maclaren-Que.	5½	'61	90½	93½	84½
Do.	5½	'64	88½	91½	82½
*Manitoba Pwr.	5½	'51	78	81	77½
†Mtl. Island Pr.	5½	'57	104	107	104
†Montreal Pr.	3½	'56	99	101	98½
†Montr'l. Tram.	5	'55	85	88	85
†Do.	5	'41	103	105	102
Nat'l. L. & P.	6	'49	98½	102	98½
†N.S. L. & Pr.	5	'58	104	107	104
†Ottawa Light	5	'57	105	108	105
†Ottawa Val. Pr.	5½	'70	93	96	91½
†Power Corp.	4½	'50	93½	96½	94
*Quebec Pwr.	5	'68	105½	108	105½
†Shawinigan	5	'70	103	105	102½
†Do.	4½	'70	106	109	105½
†S. Canada Pr.	5	'55	104	107	104
†United Secs.	5½	'52	77	80	78
†W. Koot. Pwr.	5	'56	105½	108	106½
†Western Pwr.	5	'49	105	108	105
*Winnipeg Elec.	6	'54	79½	82½	79
Industrial and Realty Issues:					
Abitibi Pwr.	5	'53	48	51	46½
†Acadia Sugar	4½	'55	100	103	101
†Alta. P. Grain	6	'46	100	103	100
‡Asbestos Corp.	6	'42	99	102	98½
B. A. Oil	5	'45	107	109	106½
Do.	4	'45	103	105	102½
†B.C. Pulp & P.	6	'50	85	88	85
Burns & Co. (5/58 int. bearing)			88	92	...
Can. Biscuit	6½	'46	23½	26½	24
Canada Bread	6	'41	109	...	108
†Can. Cement	5½	'47	105½	108	105½
‡Can. Ss. Lines	5	'43	102	...	102
Do.	6	'41	62	65	68½
†Can. Canners	6	'50	105½	108½	105½
*Can. Int. Pap.	6	'49	90½	93½	89
C. P. R.	6	'44	99½	102	99½
Do.	4½	'49	101½	104	99½
Can. Rail & H.	4	'51	49	52	49
†Can. Vickers	6½	'47	92½	95½	92½
Cons. Paper	6	'61	34½	37½	33
†Dom. Canners	5½	'40	109	...	109
Dom. Sq. Corp.	6	'48	62	...	62
†Dominion Tar	6	'49	103½	...	103½
†Donnacona P.	6	'48	85	88	79
†East. Dairies	5½	'49	88	91	87½
†Fam. Players	6	'48	103½	105½	103½
†Do.	6	'48	103½	103½	101½
†Federal Grain	6½	'49	100	103	100
Fraser Cos.*	6	'50	101½	104½	99½
Do.▲	6	'50	95	98	94½
†G. Steel Wares	6	'52	101	104	101
Gt. Lakes Pap.	6	'50	46	49	45½
†Gypsum, Lime.	6	'48	96½	99½	96
Ham. Cottons	5½	'48	101½	...	101½
*Ham. By-Prod.	5½	'58	98	101	98½
*Hinde & Dauch	5	'48	102	...	102
†I. P. & P. Nfld.	5	'68	103	...	103
Int. City Bak.	5½	'48	103	...	103
Kingston Elev.	6	'50	97	100	97
Lake St. John P. & Pa.	6½	'47	93	96	91½
London Rlty.	6	'50	92	95	92
†Massey-Harris.	5	'47	92½	93½	92
McColl-Front.	6	'49	104½	107	105
†Mercury Mills.	5½	'53	62	...	55
M. & O. Paper	6	'45	37	40	35½
Mtl. Dry Docks	6	'48	84	88	85
N. Ont. Bldg.	6½	'39	97	...	96½
Price Bros. bds.	6	'43	106	109	104
*Prov. Paper	5½	'47	102	...	102
Queen's Hotel.	6	'47	91	94	92½
*Reliance Gr.	6	'48	102½	105	101½
Richmond-Bay.	6½	'47	97	...	96½
‡Riordon Pulp	6	'42	104½	...	104½
†Rolland Paper.	6	'48	105	...	104½
Ruddy & Co.	6½	'48	100½	...	100½
†Simpsons Ltd.	6	'49	104½	107	105
Do.	5½	'49	102½	...	102½
†Smith, How'd.	5½	'53	104½	107	104½
‡Steel of Can.	6	'40	112½	...	112
Stop & Shop	6	'47	64	...	60
United Corpns.	5	'53	92	...	91
United Grain	5	'48	100	103	100
Do.	5½	'49	102	105	102
Western Grain.	6	'49	89½	92½	88
Zimmerknit	6	'51	95	...	95

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. §Payable in U. S. only. *Payable in Can. or U. S. *Unstamped. ▲Stamped.

Unlisted Mines

February 18, 1936

	Bid	Asked
Arntfield Syndicate	.93	.97
Ardeen	.13	.15
Argosy	.82	.85
Athona (Gt. B. L.)	.47	.49
Athabaska Portal	.30	.32
Bailor	.03½	.04
Bidgood Kirkland	.74	.76
Bankfield Gold	.56	.58
Bathurst	.02½	.03
Bosquet Gold	.14	.15
Can. Pandora	.07	.08
Can. Kirkland	.05½	.06½
Capital Rouyn	.20	.22
Casey Summit	.15	.16
Casey Contact	.04	.05
Canusa Mining	.12	.14
Central Porcupine	.18	.20
Cons. Chib. Free	2.50	2.60
Cons. Chib. Pool	2.40	2.50
Corless Patricia	..	.43
Cuniptau	.28	.30
Dorval Sisco Gold	.18	.20
El Bonanza	.09	.10
East Malartic	.36	.39
Forty-Four Gold	3.00	3.50
Glenora Gold	.17½	.19
Galatea	.07½	.08½
Goldside	.03½	.04½
Gold Eagle	.24	.28
Greenlaw	.05	.07
Hudson Patricia	.20½	.22
Jellicoe	.09	.10
Jowsey	.30	.33
Kaw Crow	.25	.27
Kirk. Gold Belt	.10½	.12
Knee Lake	..	.05
Lafayette L. Lac	.03	.03½
La Palme	.48	..
La Roche	.20	.22
Long Lac Lagoon	.07½	.09
Lamaque Gold	..	3.50
Leitch Gold	.45	.48
Madsen Red L.	.34	.36
MacL. Cockshutt	.09½	.11
Magnet Lake	.07½	.08½
Marbuan	.97	1.00
Matachewan Can.	.17	.19
Murmac	..	.09
McCarthy Webb	.10	.11
Mosher	.05½	.08
Moffat Hall	.10½	.11
North Shores	.03¼	.04
Norlake	..	.60
Oklend	.28	.30
O'Leary	.15	.17
Omega	.77	.80
Opemiska	1.78	1.83
Pascalis	.24	.28
Proprietary M.	.40	.45
Phoenix	.38	.42
Rice Lake	.08	.09
Shawkey	.80	.83
Skookum	.14	.16
Shinin Tree	.35	.37
Sladen	.38	.40
Slave Lake	.70	.74
Smelter Gold	.04½	.05½
South Keora	.11	.13
Smith Cobalt	..	.05
Springer	.09	.11
Straw L. Beach	.13	.15
Sturgeon R. Gold	.50	.55
Wells Long Lac	.08	.10
Wingold	..	.10
Wendigo	.19	.21
Young Davidson	.21	.23

Winnipeg Stocks

(Transactions from Feb. 8 to Feb. 12)

	Sales	High for period	Low for period	Close Feb. 12
Bailor Gold	2,500	.03	.02	.02½
Can. Rand	3,400	.07	.05	.07
Fed. Grain pf.	10	.61	.61	.61
Flin Flon	5,800	.34	.33	.33
Gold Lake	15,225	.60	.46	.60
Geneva	700	1.50	1.50	1.50
Island Lake	1,500	.04½	.04	.04½
Herb Lake	687	.09	.09	.09
Jowsey Is.	500	.32	.32	.32
Kingfisher	5,500	.02	.02	.02
Knee Lake	2,000	.05	.05	.05
Ore Grande	1,000	.09½	.09½	.09½
Oxford Mines	75	.33	.33	.33
Rice Lake	5,600	.08	.07	.07½
Optic Lake	30	2	2	2
Packsack	500	.25	.25	.25
United Grain	4	.13	.13	.13
Wingold	2,650	.13	.09	.09
Wylie Dom.	400	.38	.38	.38

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire Ins.	..	100
City Dairy, A	..	10
Comm Securities	..	10
Home Investment	..	25
North. Trust	7	..
Pelissiers	..	¼
Do., pref.	30	..
West. Steel, pfd.	3	..

*Stocks more active on other exchanges not included.

Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

February 18, 1936

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, c.	3.70	4.00
Do., pfd.	4.85	5.05
Acme Farmers Dairy, pfd.	37.00	40.00
Algoma Steel New, c.	47.00	...
Do., New pfd.	57.00	...
Andian National	49.00	50.50
B. C. Pulp & Paper, c.	1.00	1.70
Do., pfd.	10.00	13.00
Burns & Co., A	13.50	14.50
Do., B	7.50	...
Canada Paper, pfd.	111.00	...
Canada Starch, com.	16.00	...
Do., pfd.	90.00	...
Canada Tea, pfd.	35.50	40.00
Can. Tube, 1st pfd.	45.50	...
Can. Wire & Cable, pfd.	99.00	101.00
Can. Industries, A, com.	245.00	...
Do., B, com.	245.00	240.00
Do., pfd.	160.00	163.00
Can. Westinghouse	66.00	68.50
Chase, A. W., pfd. bonus	25.00	...
Dom. Found. & St. c. (New)	42.00	45.00
Do., pfd. (New)	91.50	93.00
Dunlop Tire, pfd.	63.00	...
Edm. City Dairy, pfd.	58.50	...
Federal Grain, com.	4.50	5.75
Do., pfd.	62.50	...
Goderich Elevator	8.75	9.75
Greening Wire, pfd.	103.00	106.50
Guelph Carpet, pfd.	103.50	105.00
Do., com.	16.00	17.50
Highland Dairy, com.	2.25	3.00
Do., pfd.	78.00	81.00
Industrial Accept., A	15.00	18.50
Morrow Screw, pfd.	93.00	...
New Meth. Laund. pfd. bon.	76.50	81.00
Niagara Wire Weav. pfd.	58.00	60.00
Provincial Paper, pfd.	103.00	104.50
Reliance Grain, c.	9.00	10.50
Do., pfd.	94.00	96.00
Rob. Cons. Cone	9.50	10.25
Ruddy, E. L., pfd.	36.00	...
Silverwood's Dairies, pfd.	49.00	...
Std. Fuel, pfd. bonus	106.00	107.50
Supertest Pet. B, pfd.	27.50	29.00
Toronto Carpet, pfd.	34.00	...
United Steel, A, pfd.	5.00	7.00
West. Grain, pfd. bonus	22.50	25.00
Western Grocers, pfd.	107.50	111.00
Willards Choc. pfd.	12.00	...
Trust & Loan Stocks:		
Chartered Trust	80.00	83.00
Guelph Ont. Inv. Sav.	46.50	50.00
London & West. Trust	44.00	...
Sterling Trust	35.00	...
Traders Fin. B, p. with Rts.	70.50	...
Trusts & Guarantee	39.00	41.00
Insurance Stocks:		
British America	37.50	38.50
Canada Life	320.00	518.00
Canadian Fire	75.00	...
Can. Ins. Shares, c.	10.50	12.75
Confed. Life 20% pd.	119.00	122.00
Continental Life 20% pd.	37.00	40.00
Crown Life	116.00%	...
Dominion Fire	116.00	...
Dominion Life 50% pd.	285.00	300.00
Dom. of Can. Gen.	100.00	...
Excelsior Life 30% pd.	69.00	74.00
Federal Fire 25% pd.	38.50	...
Fidelity Ins. of Can.	47.50	50.00
Great West Life	380.00	385.00
Guar. of N. A. fully pd.	246.0.	...
Halifax Fire	22.25	23.00
Imperial Life	341.00	...
Manufacturers Life	260.00	270.00
Monarch Life 10% pd.	18.50	19.50
National Life 25% pd.	51.00	57.00
Sovereign Life 25% pd.	18.00	20.50
Sun Life	570.00	600.00
Toronto General	4.50	5.25
Western Assur., com.	39.00	...
Do., pfd.	39.50	42.00
Theatre Stocks:		
Allens Beach, pfd.	58.00	...
Do., Calgary, com.	7.25	9.00
Do., Kingston, pfd.	54.00	59.00
Do., Parkdale, pfd.	43.50	47.00
Do., Toronto, pfd. bon. c.	30.00	35.00
Eastern Theatres, com.	4.50	7.00
Do., pfd.	77.00	84.00
Loew's London, pfd.	1.90	2.25
Mansf. Theatre, pfd.	31.50	...
Para. Kitchener, pfd.	32.00	35.00
Do., Oshawa, pfd.	65.50	...
United Amusement, A	16.50	18.00
Do., B	15.00	17.00
Investment Trust Shares:		
Can. Gen. Invest.	7.85	8.05
Can. Investors	7.75	8.15
Can. Int. Inv. Trust Units	45.00	48.00
Cons. Div. Std. Sec. Units	11.50	13.25
Debenture & Sec., pfd.	40.00	...
Dom. Scott. Inv. Units	29.50	32.00
Foreign Power Sec., pfd.	15.00	...
Invest. Found. Units	49.00	51.00
Sec. Holding Units	17.50	...
United Corpns., A	22.00	23.50
Do., B	8.10	8.75
Power Issues:		
Calgary Power, pfd.	84.50	86.00
Can. Public Ser., pfd.	27.00	...
Can. West. Nat. Gas, pfd.	97.00	98.50
Do., com.	24.00	...
Great Lawes Pwr. pfd.	90.00	97.00
Inter. Util. 7.00 pfd.	80.00	...
Nor. Ont. Power, pfd.	99.75	101.00
N. S. L&P pfd.	101.50	104.00

Mining Dividends

	Rate	Close Feb. 17	Yield %
Anglo-Huronian	20c	4.85	..
Buff. Ankerite	20c	5.70	3.5
Bulolo Gold	2.60	34.25	7.5
Cariboo	10c	1.35	7.4
Coniagas†	12½c	3.10	..
Cons. Smelters	$2.50+$4	237.00	..
Dome Mines	$2+$2	49.25	8.1*
Falconbridge	30c	8.75	3.4
Hollinger	65c+25c	15.87	5.6*
Howey Gold	5c	.68	..
Hudson Bay	$1	28.00	..
Int. Coal & Coke‡	1c	.20	..
Inter. Mining	.60+5	14.25	4.6*
Int. Nickel, c.	$1	50.75	2
Kirk. Lake‡	3c	.50	..
Lake Shore	$3+$2	57.50	6.9*
Macassa	15c	4.30	3.5
McIntyre	$2	45.37	4.4
McKinley Sec.	5c	.50	..
McWatters Gold†	5c	1.48	..
Mill City Pete.†	5c	.08	..
Nipissing	25c	2.90	..
Noranda	$2	48.00	4.2
Petrol Oil	2+2c	.61	..
Premier	12c+1c	1.88	7*
Pioneer B.C.	80c	10.25	7.8
Reno	12+2c	1.10	12.7*
San Antonio	21c	3.17	6.6
Siscoe	20c+3c	3.26	7*
So. Amer. Gold	30c	5.85	5.1
Sunshine	50c	24.25	..
Sylvanite	20c	2.76	7.3
Teck-Hughes	40c	5.00	8.1
Toburn	8c	1.38	5.8
Wright-Har.	40c+20c	8.70	6.9*
Ymir Yankee†	2c	.55	..

‡Interim. †Initial. *Yield includes bonus.

Investment Trusts

	Bid	Asked
Canadian Investment Fund	4.20	4.50
Trans-Canada	12.30	...
All Can. Com. Trustee Shs.	11.65	12.50

Listed Bonds

Week Ending Feb. 17, 1936

	Int. rate	Due	High	Low	Range 1936 High	Low
Mtl. L. H. & P. Debs	3	'39	50½	..	50½	50
Unlisted:						
Asbestos	6	'41	98	..	98	98
Cons. Paper	5½	'61	34½	33	34½	30½
Fraser	6	'50	96	..	96	96

Silver Prices

Trading in Montreal
Feb. 10 to Feb. 15

	High	Low	Close	Contracts
Feb.	45.20	45.20	45.00	1
Mar.	45.05	44.70	44.90	2
May	44.95	44.95	44.90	1
July	45.10	45.10	44.90	1

Metal Prices

New York—Feb. 18—
Copper: Electrolytic spot and future, $9.25 to $9.50.
Silver: 44¾c.

London—Feb. 18—
(Long Ton)—
Copper: Electrolytic spot, £40; future, £40 10s. Standard spot, £35 12s. 6d.; future, £36.
Tin: Spot, £207 15s.; future, £200 15s.
Lead: Spot, £16 5s.; future, £16 7s. 6d.
Zinc: Spot £15 5s.; future, £15 10s.
Gold: 141s. 2d.
Silver: 19-15/16d.

Canada—Feb. 18—
Gold: $35.16.

In The Construction World

Housing, and Relief Costs

CANADA'S much criticized Dominion Housing Act is still the framework on which hopes are being built for a revival of home construction.

Flaws in the act are legion according to its critics, and government authorities are understood to be giving consideration to changes in the regulations.

Whatever changes are made in the act or its regulations, it is becoming increasingly evident that other forces are at work in the effort to stimulate a building revival. Among these is the new "Prosperity Housing Association," a tentative organization of businessmen and industrialists who believe that Canada's return to an era of prosperity can be speeded through building of homes.

Findings of the association, following preliminary surveys of housing needs in Canada, are startling, and they throw a new light on conditions that must be met in any revision of existing legislation aimed at encouraging home construction.

Names associated with the group in its initial efforts include those of men known as directors of successful business ventures. There is reason to assume that the new association may constitute an important contribution to the movement for revival of home building and its accompanying benefits.

* * *

New Homes Needed

WEIGHT attaches therefore, to the thesis advanced by the new group.

It is, briefly, that:

"Britain is the most prosperous nation in the world today. She achieved her prosperity by an intelligent attack on the housing problem.

"What Britain has done, Canada can and must do."

The association declares that Canada needs 55,000 new homes immediately, and that coincident with this need are some 240,000 unemployed building trades' workers. It advocates the obvious plan of putting the jobless to work on new housing.

It believes that the objective can be achieved by a process under which all forms of unnecessary employment relief projects can be stopped, 600,000 people taken off government relief rolls, and government funds conserved to the advantage of the Dominion, instead of wasted on unrelated relief projects which do not approach a solution of either the housing or employment problem.

* * *

Unnecessary Spending

IN LINKING its efforts with a housing revival and cessation of expenditures on government relief works, the association will probably earn the support of those who recognize the danger of continued government spending for these purposes.

The problem is to make the Dominion Housing Act effective and beneficial, the association says. It calls upon the government to take the necessary steps toward adjusting regulations to actual needs.

The necessity for changes whereby the Dominion Housing Act regulations will attract private investment in building, is emphasized by these efforts of the Prosperity Housing Association and of independent groups such as that in Toronto, where private individuals are planning a large scale venture into the building field once they are satisfied that housing is a sound investment.

The need for new houses is evident, the advantages from a home-building programme are equally obvious, but there the movement seems to stop under existing conditions.

If private sources or lending institutions are to provide funds for building purposes under the Dominion Housing Act, federal authorities should lose no time in amending the present regulations to permit the co-operation of investors, and to formulate new regulations that meet the facts of the situation.

In doing so the Ottawa government will not only hasten the home-building programme, but if the Prosperity Housing Association's thesis is correct it will have taken the first actual step toward halting the rising trend of relief expenditures, annual budget deficits and a mounting total of funded debt.

Westinghouse Executive Will Address Engineers

L. A. S. Wood, president, of the Illuminating Engineering Society and chief lighting engineer of Westinghouse Electric & Manufacturing Company, is to address the Toronto section of the Illuminating Engineering Society on February 24 in Toronto.

Mr. Wood has been identified with the lighting industry throughout his career and is familiar with lighting practice in the United States and England, where he received his education and early training.

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Rewards Await Finder Of Cheap Steel Method

Direct Ore-to-Steel Process Already Accomplished in Laboratories — But Cost is Too Great for Commercial Use

By THOMAS C. THOMPSON

From towering bridge spans to a host of minor hardware fittings, steel ranks as No. 1 utility material in construction. In all shapes, designs and forms it is the backbone of structures on which cement, wood, brick and glass are superimposed.

The story of its transformation from unshapen pieces of discolored iron ore, to finished, mirror-like metal was among the most intriguing facts to emerge from the recent fiftieth annual meeting of the Engineering Institute of Canada.

Said N. B. Clarke, assistant superintendent of blast furnaces and coke ovens at the Hamilton plant of the Steel Company of Canada, addressing the assembled engineers and scientists: "No one has yet found a commercially profitable process for converting iron ore directly into steel."

It is a problem that offers fame and reward to someone, and it has already been solved—in the laboratory. But cost is the barrier preventing adaptation of the process to steel plant practice.

Blast furnaces meanwhile serve the purpose. "By means of the blast furnace," Mr. Clarke told his colleagues, "iron ore is robbed of its oxygen, separated from its various impurities and converted into pig or cast iron."

The product of the furnace is then made into steel or remelted in cupolas for various grades of foundry and malleable castings.

Most Efficient Method

"The blast furnace always was, and is today, the most efficient of metallurgical processes," declared Mr. Clarke. "The first furnaces were little more than piles of ore and wood or charcoal, on the tops of hills where a brisk wind would make a hot fire. Later with the crudest of bellows melting was done in small holes in the sides of banks of clay, with charcoal used as fuel.

"Some furnaces of this type exist today, operated in remote districts of western India and elsewhere, producing little balls of iron weighing from five to 100 pounds, after many hours of tedious work."

North Spain is credited by Mr. Clarke as birthplace of the modern blast furnace. There was located the catalan forge, developed in Catalonia, and it produced what is now known as wrought iron, but of a highly variable kind. The metal never reached molten form, but became a pasty mass which, when pounded and worked, rid itself of most of the slag, and resulted in a piece of soft iron.

Germans, working with larger furnaces, an excess of charcoal, greater heat and other favorable conditions, first produced molten pig iron about the year 1350. The Germans found that the pasty high-temperature-melting metal could be made to absorb carbon sufficient in quantity to make it fusible, and this carbon absorption made it possible to produce molten iron which could be poured into molds and cast into any desired shape.

Of German Origin

The German furnace, famed in opera, was in a crude way the furnace of modern industry. The first blast furnaces built in America followed the shape of their German prototype, built of masonry, and growing higher and higher until they were constructed on the sides of hills. Materials for the "charge" were hauled by horse and wagon to the hilltop and dumped in.

Gradual improvements in design and auxiliary equipment since have produced the modern blast furnace into which air is blown by "tuyeres" and cast iron blow pipes, but the principle remains the same, Mr. Clarke says.

Iron ore, limestone and coke are dumped into the modern blast furnace. Materials are transferred from railway cars into bins, scooped from the bins in correct weights for each, carried by mechanical means to the top of the furnace and deposited on the tops of bell-shaped contrivances which permit the charge to be deposited without the escape of furnace gas.

Weights of about 30,000 pounds of iron ore, 13,000 pounds of coke and 6,300 pounds of limestone make up a "charge," and with a full blowing wind the modern furnace will take about four of these charges an hour.

Turbo-blowers provide the rush of air of about 45,000 cubic feet a minute, under a pressure of 15 pounds to the square inch. Air is passed through an oven where it is pre-heated to the tremendous temperature of 1,200 to 1,500 degrees Fahrenheit, and ultimately delivered through the "tuyeres" into the furnace itself.

Can Produce Million Tons

The ladles of molten iron are carried to the "open hearth" department where the metal is poured into the furnaces for conversion into steel, or taken to the pig casting machine to be turned into "pigs." Waste slag is used for land filling and most of the ground on which the Steel Company of Canada's plants are located consists of this material and of open hearth slag.

Mr. Clarke told the assembled engineers much more of the process by which modern blast furnaces are operated. Technical problems were discussed and among them the life of a blast furnace.

A modern furnace, says Mr. Clarke, can produce a million tons of iron before having to be blown out for relining, unless it is forced to stop for lack of business.

"It is hoped," he added, "that stoppage for the latter reason will not occur for a good many years and that the Hamilton furnaces will run until they fall part."

They remain the only substitute for a short cut between raw iron ore and finished steel.

Rotating House Faces the Sun

Italy's latest contribution to the science of living is the "sunflower" house which rotates on circular tracks so that the living room always faces the sun.

Motive power is supplied from a three-horsepower engine in the centre of the house.
—Architectural Forum.

Fireproof Wood Floors End 2,300-Year Search

Incombustible Salts Render Lumber Immune to Destruction by Blazing Furnace — New Process Approved by Underwriters After Tests

Veteran newspapermen tell the story of the "wooden boilers," reported by a Toronto newspaper as the cause of a waterfront fire many years ago.

Told jokingly that the cause of the fire was the explosion of wooden boilers of a ship in harbor, the reporter included the "fact" as a serious part of his article. It appeared in print to delight the populace with thoughts of the latest wonder of science.

That was long before the war. Today wooden boilers are not an impossibility, unless the writer of this article is being fooled by the National Board of Fire Underwriters, Chicago.

Fireproof wood — among the dreams of men since 400 B.C., when a Trojan warrior suggested soaking wood in vinegar to make it fire-resistant— is now a fact. Chicago's fire underwriters have approved it, in the form of chemically treated red oak and maple.

Cannot Burn

The wood cannot be burned in the sense that other wood is consumed, and it acts as a barrier to fire rather than a pathway over which fire can travel.

"Practically" non-combustible and non-inflammable, it is not claimed that the treated wood cannot be destroyed, but so close has science come to the objective, that actual fire conditions have failed to destroy it.

Testing has been done under severe fire conditions, and approval of the underwriters includes the notation that the wood's fireproof qualities last throughout the life of the timber.

Method of fireproofing is similar to that used for creosoting railroad ties, telegraph poles, and other lumber, except that incombustible salts are used to treat the wood, and the technique of treatment is a delicate process.

It depends largely on securing the exact amount of salts to impregnate the wood, since either too much or too little of the fireproofing agent will not achieve the desired result.

Tested in Inferno

A corporation located at Kenilworth, N. J., was formed to manufacture the process, and fireproofed lumber produced by this firm was used for the tests in Chicago. They showed that walls and floors of fireproof wood act as firestops, that these in turn localize the fire, and render it easy to fight.

"Workability" of the wood treated was found to be satisfactory from the standpoint of builders. It will take coats of varnish and paint, and its weight is only slightly heavier than that of ordinary wood.

Whole floors of the fireproofed lumber and others of untreated wood were subjected to inferno-like temperatures in gas fired furnaces and through windows in the furnace the results were observed by engineers.

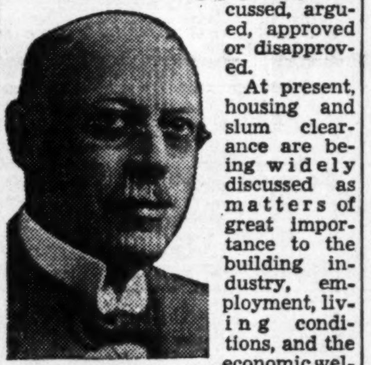
Fireproofed floors came from the furnace blackened and charred on the exposed surfaces, it is reported, but otherwise intact and sound internally, having withstood the fire and barred its passage. Other wood was reduced to ashes.

No one has tried to construct a wooden boiler of the treated lumber, but these appear to be next in line for experiment on the part of some still unknown genius.

Zoning of Cities Urgently Needed As First Step in Housing Schemes

Waste and Unstable Property Values Will Accompany Unplanned Efforts, Says Past President of R.A.I.C.

By A. FRANK WICKSON, F.R.A.I.C.



A. Frank Wickson

Newspapers usually interpret the trend of public thought, and persistent references to any subject indicate that it is being popularly discussed, argued, approved or disapproved.

At present, housing and slum clearance are being widely discussed as matters of great importance to the building industry, employment, living conditions, and the economic welfare of Canada. There is general agreement, often expressed with emphasis, that "Something should be done, without delay."

However, few businessmen of influence in the community have taken the trouble to investigate the situation deeply enough to express an opinion intelligently and with a clear conception of all the facts.

The public is also inclined to take too much for granted in the field of housing, but every observer, in addition to studying the surface aspects of the matter, should consider seriously what the problems under contemplation ultimately involve. In this case problems do not merely consist of the purchase of land and erection of houses or apartments, with government and municipal assistance.

Depreciation Is Factor

Quite the contrary, because a controlling influence in connection with housing is the financing of work. Financing depends not only on the proportions of the cost which the owner, the government and the loan companies will contribute but also the security offered to these sources or other mortgagees who require substantial assurance that their investment is safe for the present and future.

To this end they must be adequately protected from undue depreciation of properties owing to possible changes in the environment in which these buildings were erected.

To provide against this condition in the past, properties have had restrictions placed on them by deed governing the type of building permissible for erection. But these expire within a certain time limit, and subsequently are useless. Other restrictions have been imposed by municipal ordinances but these in turn can be, and unfortunately are, often removed on application. The result is irreparable damage to surrounding properties.

There is consequently the necessity for permanent insurance against instability. This can be largely accomplished by town planning and zoning of cities, which consist in recognizing, in law and by ordinance, the plain truth that all parts of a city are not, and should not be, alike.

They have different work and different functions to perform in various parts of the community, and need different rules for the regulation of their development.

Zoning Commissions

To accomplish that end, it is necessary to appoint zoning commissions whose dictums cannot be overruled except by legislative action. So long as any governing body can be influenced by pressure, just so long will ordinary restrictions be ineffective in inducing lenders to put money into any scheme which might be damaged financially by a change in these restrictions.

All unzoned cities in Canada show the result of this lack of restrictions. Good residential districts have been wrecked by encroachments of commercial and factory buildings, and have become neither one thing nor the other.

On the other hand, what should be good commercial districts are ruined by the presence of obsolete dwellings with which owners can do nothing but raze.

Values Stabilized

General benefits to the community, through zoning of cities in the past and those which will accompany zoning in the future, are recognized by all close observers of conditions

Years ago, Frank Backus Williams, chairman of the City Planning Committee of New York, declared that zoning preserved the character of neighborhoods, saved the waste of demolition, and reconstruction, and the adjustment inevitably attendant upon a change of character in the locality.

By making such changes impossible, values are steadied. The conflict of alien activities is prevented to their mutual advantage, and land values are raised in the only way possible without injury to anyone.

Zoning of urban land is putting that land to its highest and most specialized use. Like the division of labor or industry it is in line with tendencies of the age. A result of this specialization is, that the seller obtains a higher price for his land, the purchaser finds it more useful and profitable, and the city in which it is located receives more taxes from it.

Stability is necessary to maintain values in localities, and instability is always economic waste by the need of abandoning the old to its fate and creating anew.

It is not zoning of cities on general principles that is occupying attention in Canada at the moment, however, but the urgent need of action in view of the housing and slum clearances schemes now being launched.

The business or professional man may say he is not keen on novelties and innovations Zoning of cities is years old in the U. S., England and even older in many cities of Europe.

If leaders in business, and leaders of organizations of all types, will meet this urgent necessity, something can be accomplished before it is too late. Otherwise the whole project, so far as housing is concerned, is liable to be a failure.

If Canada will "grow up," the zoning of cities will neither be unusual nor relatively unknown.

Authoritative

A. Frank Wickson, F.R.A.I.C., author of the accompanying article, is a past president of The Royal Architectural Institute of Canada, and a recognized authority on building and architectural trends.

Among the foremost members of his profession, he has closely studied conditions in housing and commercial construction as the former chairman of the general committee on revision of new building by-laws for Toronto. He is chairman of a sub-committee of that body, and three times a president of the Ontario Association of Architects.

This is the first of a series of articles by Mr. Wickson, discussing the background of the building situation. Further articles will appear in forthcoming issues of The Financial Post.

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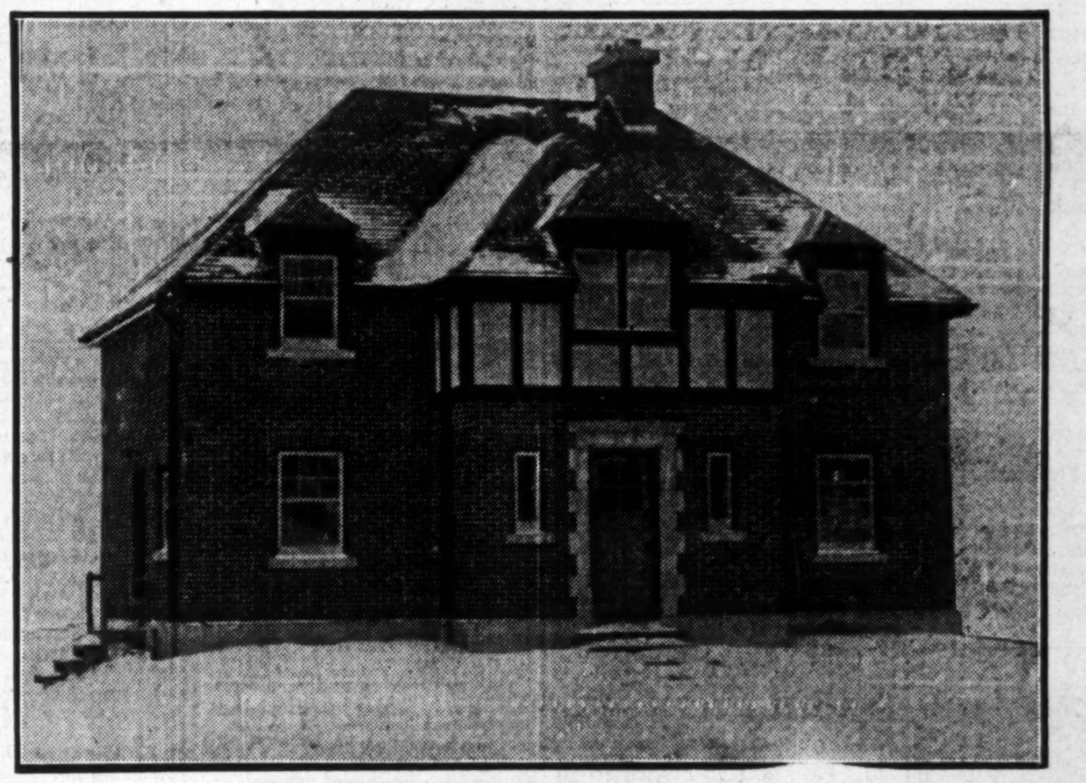


Whig-Standard Model Home — 168 Stuart St., Kingston

Newspaper's Model Home Boosts Building Trades

Constructed during the summer and fall months of 1935, The Whig-Standard Model Home was followed step by step with keenest interest by the people of Kingston and district. Its formal opening and presentation, fully equipped and furnished, has been held over until March, 1936, to catch the Spring turn in business.

The Dominion Housing Act has been passed since this house was begun and is now in operation. The two will work well together.

With money available for home construction at 5%, under the Government's plan, and stimulated by the showing of this Model Home, the building trades should meet with a healthy upswing in business volume in Kingston during 1936.

The Whig-Standard has constantly striven to provide extra attractions, such as this Model Home, to keep readers doubly interested and advertisers provided with opportunities to promote their own businesses.

People want new homes, new cars, new furniture and constantly improving standards of living. The desire is there but in recent years it has had to be suppressed in many hearts. With improving business conditions, these yearners for better things are coming back into the markets. Whose products they buy depends greatly on the ones they have read about; the ones that have suggested and invited patronage throughout the years.

The Kingston Whig-Standard
W. J. COYLE, *Advertising Manager.*

Unlicensed Tennessee Co. Solicits Insurance Here

American Union Life Association Offers "Family" Contract With Many Unusual Features, Says Better Business Bureau

Attention has been called by the Toronto Better Business Bureau to an organization called American Union Life Association of Nashville, Tennessee, which has been attempting to solicit business in Canada by way of newspaper advertisements. The advertisement ran as follows:

"$15 a day opportunity, bonuses, life renewal. Amazing family group protection of $1,000. Whole family $1 month, for $2,500 $2 monthly. Unlimited territory. Write—Nashville, Tennessee."

Not Licensed Here

Enquiry by the Bureau elicited the fact that this Association is not licensed to do business in Ontario, which automatically prohibits such an organization from advertising privileges under the Insurance Act. Steps are being taken, therefore, to prevent further advertising or sale of membership until a license has been issued.

The Association was incorporated in Delaware, and offers a "family" insurance protection in return for membership. Curiously enough, the word "insurance" does not appear anywhere in the company's literature—not even in its name.

Monthly Premium Plan

A family may join the Association by paying an entrance fee of $3 for $1,000 of protection, or $6 for $2,500 protection, plus a monthly premium of $1. This premium is said to include the cost of protection for the entire family "from birth to 75 years of age, living together or separately." Correspondence signed by the president of the Association describes it as "the best protection contract ever before offered," and "containing essentially every good feature of the highest-priced life insurance policy."

Features of Contract

Features of the contract as shown by the company's policy and literature require that members appoint and constitute the president and/or secretary of the association to be their lawful attorney in fact, with authority to represent policyholders and vote at any meeting when members are not present. A further feature is that members agree that the bylaws of the Association, together with the application for membership and the benefits, privileges, and provisions shall form part of the contract. The contract discloses that the policy will lapse if any monthly payment is not received by the executive offices by the close of the month in which it is due, although provision is made for reinstatement within one year by payment of a charge equal to one monthly payment.

An extraordinary feature of the contract is that 50 per cent of all monthly payments received after the first three are placed in the expense fund "together with all funds received from the members." Furthermore, any sums remaining in the benefit fund at the end of any month, "after payment of all approved claims for such months in their maximum amount," may revert to the expense fund.

Limited Benefits

Another feature of the contract is that in the event of the death of a member within six months after the effective date of the certificate, benefits shall not exceed 20 per cent of the maximum certificate benefits applicable. Benefits for each member in a family group are based on the maximum certificate benefits for the attained age of such member, divided by the number of persons written or surviving in each family group.

Since the Association has apparently no power to levy extra or increased assessments, the payment of benefits is conditioned on the collection of funds from members and "if due to an epidemic or other cause the claim or claims approved for any month should be in excess of the amount of the benefit fund collected during that same month, then such fund so collected during such month shall be distributed to the claimants in proportion to their respective approved claim, and such payment shall be in full settlement thereof."

Further Limitations

Similarly for a list of specific diseases, which cause the death of any member within two years after the effective date of the certificate, the liability of the Association shall be limited to one-fourth the amount otherwise payable for the death of said member. The diseases named are as follows: heart, liver, kidney or stomach trouble; Bright's disease, uremia, tuberculosis, cancer, arteriosclerosis, apoplexy; cerebral hemorrhage, embolism, anemia, paralysis, dropsy, or pellagra.

Special Offer to Agents

Attractions held out to agents to write these policies include a "special offer" which allows the agent the full first payment of $3 or $6 per application plus a bonus of $50 for the first 100 of $1,000 certificates or the equivalent; $75 for the next hundred, and $109 for each additional hundred. A renewal commission of 15 per cent of all monthly payments paid by all members is allowed as long as the agent remains with the Association and submits a minimum of ten approved applications per month.

Higher Premium Volume Is Reported By Wawanesa

Net premiums written by the Wawanesa Mutual Insurance Co. in 1935 amounted to $1,269,117, compared with $1,046,684 in the preceding year. While actual loss figures are not available at present, it is expected that loss ratio will be about 35 per cent.

The Eastern Canada division had a "splendid year" in 1935, stated Howell Smith, eastern manager, at the recent agents' conference. Net fire premium income was up about $64,000 at $654,551, farm business accounting for about 40 per cent of the total. Losses at $295,075 were down $50,000 from the previous year.

Mr. Smith said in part: "We do not know yet where we will stand in the matter of net fire premiums in Ontario compared with other companies, but I think we will not take a lower position than we did last year, which was third place....We might even step into second place."

The company expects to be operating in Prince Edward Island in the near future.

United States
Fidelity & Guaranty
Company
TORONTO

London Life Director

LEBERT H. JONES

Elected a director of the London Life Insurance Co. Mr. Jones is managing director of H. J. Jones Sons, Ltd., lithographers, London.

Single Premium Rates Revised by Dominion

New premium rates for all single premium non-participating plans have been issued by Dominion Life Insurance Co., according to A. N. MacTavish, actuary of the company.

The new rates are higher than those formerly charged by the company, particularly at older ages. The change at earlier ages is only slight.

New Appointments by Confederation Life

J. H. BIRKENSHAW

Formerly associate actuary; now promoted to actuary of the company. He joined the company's actuarial department at head office in 1913. He was named assistant actuary in 1922 and associate actuary in 1930.

BEN. T. HOLMES

One of the famous Holmes brothers whose contribution to actuarial achievement in Canada is little short of a phenomenon; he now becomes associate actuary of Confederation, which he joined in 1925.

J. K. MACDONALD

Son of the president and grandson of the founder of the company; he becomes assistant secretary after wide training which includes three years of actuarial work. Since 1929 he has been in the company's bond investment department.

G. A. SKELDING

Appointed assistant actuary. Mr. Skelding has had 14 years experience in actuarial and medical departments and will now be in charge of underwriting.

D. L. McDOUGALL

For four years supervisor of group sales, Mr. McDougall now becomes a superintendent of agencies. He joined the company in 1913 as a representative in Northern Ont.

R. E. WHITE

Appointed assistant actuary. He joined the company in London, Eng., in 1929, remaining there for five years. He has been at head office for the past two years.

Sales and Dividend Prospects Reviewed for Great-West

Speaking at the annual meeting of the Great-West Life Assurance, General Manager C. C. Ferguson pointed out that production throughout the year had shown a forward trend as indicated by figures of applications received.

These were as follows: January to April—$15.3 millions; May to August—$19.3 millions; September to December—$21.4 millions.

He also stated that more policies were sold in 1935 than in 1934, "indicating a greater activity on the part of agents and a widening of interest on the part of the public."

New business in 1936, he noted, is substantially ahead of new production for the same period of 1935.

He also remarked on the swing back to participating business in 1935, with a corresponding favorable reaction in the surplus account of non-par business. "Non-participating surplus," he said, "showed a substantial increase during 1935 after that account was charged with its due share of a severe write-down of doubtful assets."

As for dividend prospects for participating policyholders in the future, he said, "There is, one might almost say, a certainty that the company will be able to continue its present scale of participation returns, and an increase, though not immediately in prospect, is by no means beyond reasonable expectation."

Mr. Ferguson noted that the company now has a margin of $1.2 million of assets in excess of market values of bonds, debentures and stocks over book values, which is not taken credit for in the balance sheet. "Its retention," he said, "as a sort of reserve will be a protection against any future recession in market values, and it will at the same time enhance future earnings."

Insurance Reports

Economical Mutual

An increase in total assets of $151,000 to $2,145,520 is shown in the 1935 annual statement of the Economical Mutual Fire Insurance Co. Most of the increase is attributable to an advance of $88,000 in first mortgages, all of which are located in Ontario cities. Security holdings also show appreciation over the year, particularly those issues which are in default. These have increased by $43,000 to $173,009 since the previous statement. Issues not in default now total $954,361.

The increase is reflected in the liabilities by a rise of $12,600 in unearned premium reserve and an increase in surplus of $141,000. Surplus for the protection of policyholders is now carried at $1,789,505.

During 1935, the company obtained a Dominion certificate of registry and has applied for Dominion incorporation so that it will be entitled to write insurance in various provinces.

Sovereign Life

An insurance of 21.9 per cent in new business issued and revived is shown in the annual report of Sovereign Life Assurance Co. presented to the annual general meeting, Feb. 5. Total new business amounted to $8.1 millions as compared with $6.6 millions in 1934.

Business in force at the end of the year was higher than in 1934 by 6.5 per cent, bringing the total to $27.4 millions, the highest in the history of the company.

Total income of the company during the year increased by $92,403, the most important single increase being consideration for annuities which is more than double the corresponding item for 1934. Premium income showed an increase of $21,860.

Against this the company reported lower death claims and a drop of over 40 per cent in surrender values paid. These savings, together with the increase in income enabled the company to show an excess of income over disbursements of $198,641.

Assets gained during the year by $269,725, bringing the total at the end of 1935 to $6.1 millions. The largest single increase was in bonds and debentures, which now total $2 millions. Decreases were shown in the company's mortgage holdings and also in policy loans. Policy reserves have moved forward corresponding with the increase in business. The unassigned surplus is now $145,476 as compared with $155,237 at the end of 1934.

Comparative figures for chief items follow:

SOVEREIGN LIFE

	1935 $	1934 $
New business issued*	8,126,125	6,666,515
Bus. in force	27,468,744	25,793,124
Net prem. income	773,650	751,790
Bonds and deb.	2,065,106	1,775,100
Mortgages	2,232,234	2,284,879
Policy loans	912,405	975,463
Total assets	6,120,213	5,850,488
Policy reserves	4,973,548	4,766,329
Inv. res.	262,000	247,000
Free surplus	145,476	155,237

*Including increased and revived.

Guarantee Co. of N. A.

Net losses of the Guarantee Co. of North America, Montreal, recorded a decline in 1935, while net premiums written and profits showed an increase. After taking care of all charges, including payment of dividends and bonus, the surplus account was increased from a deficit of $54,478 in 1934, to a surplus of $112,803 in 1935.

The balance sheet, as at the end of 1935, shows assets totalling nearly $4.6 millions, of which about $4 millions represent bonds and stocks. The latter recorded an increase in valuation during the year of $212,301, and are shown on the books at $39,071 below the present actual market value.

Profit and Loss Account
Years Ended Dec. 31

	1935 $	1934 $
Revenue:		
From underwritings	30,562	*34,122
From investments	154,782	163,298
Total profit	185,344	129,176
Security value gain	212,301	†78,808
Balance	397,646	50,367
Less: Property deprec.	5,618	5,762
Conting. reserve	210,000	‡70,000
Dividend & bonus	97,472	97,472
Surplus	84,555	17,133

*Loss. †Decrease.
‡Transferred from reserves.

Income and Expenditure

	1935 $	1934 $
Premiums	534,790	488,190
Res. preferred (in trust)	21,787	......
Interest and rents	192,718	199,036
Total income	749,296	687,226
Less: Underwriting	312,391	297,878
Reinsurance	96,422	97,683
Losses paid	82,169	128,273
Investment expense	40,946	41,405
P. & L. items	7,090	78,991
Balance	210,275	42,994
Dividends & bonus	97,472	97,472
Surplus	112,803	*54,478

*Adverse.

Northern's Centenary

Northern Assurance Company Has Grown Into World-wide Institution Writing Practically Every Type of Insurance

Northern Assurance Co. is celebrating its hundredth birthday.

From the modest organization which began business in Aberdeen, Scotland, in 1836, has developed an internationally recognized institution handling, either directly or through subsidiary companies, practically every known form of insurance in all parts of the world. Today, the combined assets of the Northern group of companies exceed $1 million for each year of the parent company's existence.

The Northern was first known as the North of Scotland Fire and Life Assurance Co., but the name was shortly changed to the present title. Expansion was steady with branches being opened throughout the United Kingdom.

In 1858 the first Canadian agency was opened at Victoria, but it was not until nine years later that the company seriously entered the Canadian field. At that time an agency was established in Montreal under the direction of Taylor Brothers. Twenty years later, in 1887, a branch office was opened in Montreal, with R. W. Tyre as manager. Mr. Tyre occupied that post until 1916, when G. E. Moberly took over. Alex Hurry, the present manager, was appointed in 1923.

Customs Have Changed

In the course of a century, insurance practices have been drastically revised. So much so that the chronicle of the company's early days includes a number of features which now might be considered queer. One perhaps is that the Northern owned and operated its own fire department and placed its "fire mark" on the door of every property which it insured. Civic fire departments were then unknown.

When fire broke out, the firemen could distinguish from the "fire mark" whether it was their responsibility or that of another company. Tales are told of insurance company firemen who, when they discovered the blazing building was not insured by their company, calmly sat down and waited for the rival brigade to fight the fire.

Living Allowance

Immediately after its incorporation, the Northern made a special allowance to provide candles and coal for the first manager. Other reminiscences of those days recall that theatres were on the uninsurable list. Insurance companies distributed leather fire buckets which they urged clients to keep filled and hanging on the wall of the insured property. In keeping with traditional Aberdonian characteristics as well as safety precautions, these buckets were round-bottomed so that use of them for other purposes was precluded.

The life insurance department can also recall interesting incidents. Additional premiums were required for those engaged in hazardous occupations, one instance of this being a surcharge of ten per cent on the policy of a gun powder manufacturer. Smokers were considered doubtful risks, and as a result the age of excessive smokers was jacked up 17 years.

Large Claims

In its hundred-year history, the Northern has several times been tested by exceptionally large claims.

One summer in 1877, a laconic telegram from Saint John read "Saint John in ashes." That message conveyed to officials of the company that some $500,000 would be required to meet claims in that city. Mrs. O'Leary's cow cost the Northern a very large amount if, as tradition has it, she kicked over the lantern that started the great Chicago fire.

Early this century a large Toronto fire accounted for claims of $300,000 and the Haileybury conflagration in 1922 resulted in a loss to the company of fully $200,000. Possibly the largest loss of all was in connection with the San Francisco earthquake, which cost the company $2,620,000.

The company came through each instance with flying colors, however, and has maintained throughout its ability to settle claims promptly and fully.

Canadian Manager

ALEX. HURRY

Canadian manager of the Northern Assurance Co. which is this year celebrating its centenary. Mr. Hurry joined the Northern in 1897 and after service in various departments of the company was appointed Canadian manager in 1923. He is a vice-president of the Canadian Underwriters' Association.

LOWER DIVIDEND IS FOUND ILLEGAL ON LAPSED POLICY

Northwestern Mutual May Appeal Decision of Saskatchewan Court

Policyholders of a mutual fire insurance company must be paid the full rate of dividend distributed to those in the class of risk in which they are entered whether or not their policy is renewed.

This is the judgment handed down recently in a Saskatchewan court in an action by Wunderlich Bros. against the Northwestern Mutual Association, with which it carried insurance. The judgment reversed a previous decision favoring the insurance company. It is expected that the case will be carried to a higher court.

Wunderlich Bros. insured with the Northwestern Mutual as members of the Retail Merchants' Association and as such were entitled to an annual dividend of 25 per cent. This dividend became due with the expiration of the assured's policy in February, 1934.

However, in December, 1933, the Northwestern's board of trustees passed a resolution providing that only a ten per cent dividend would be paid on policies "covering risks in the Dominion of Canada which have lapsed." Wunderlich Bros. informed the company that it would not renew its policy, and in compliance with the resolution was paid a dividend, not of 25 per cent, but of ten per cent. It sued for the difference.

Finds Discrimination

The original action was settled in favor of the Northwestern, but in giving judgment on the appeal, the court held that the company's resolution was defective in that it discriminated against policyholders who refuse to renew their insurance. And it was further held that the provision discriminated against Canadian policyholders whose insurance lapsed, as it was not effective in other countries.

D. C. McPherson, an officer of the insurance company testified that the reason for the lower dividend on lapsed policies was that "The company's surplus took a substantial drop over a period of two years, and they apparently saw that to protect the continuing policyholders they had to penalize the ones that dropped out."

It is stated in the judgment that evidence also tended to show that the insurance company, owing to the withdrawal of the support of the Retail Merchants' Association in Saskatchewan, had suffered a decrease in business in the province and a consequent loss in operation.

It is understood that the clause stipulating that a lower dividend would be paid on lapsed policies was deleted from the Northwestern's contracts in November, 1935. So that the provision was in effect slightly under two years.

Whether action will be taken by other members of the Retail Merchants' Association whose policies lapsed within that period to recover additional dividends will probably depend on the outcome of the appeal, leave for which The Financial Post is informed has been applied for by the Northwestern.

Montreal Life Reports Gains

Preliminary figures from Montreal Life Insurance Co. indicate gains for the year in premium and interest income, insurance in force, assets and surplus. Assets rose by approximately $400,000, while insurance in force increased $1.5 millions. The average rate of interest earned on invested assets was 5.26 per cent.

The company reports during the year a moderate amount of purchases of common stock.

Instalments!

Most things can be bought on the instalment plan nowadays — automobiles, property, furniture, clothing and a host of other articles more or less necessary or desirable.

You may have the use of any of these while paying the instalments but you do not own them until you have made the last payment.

Ownership of life insurance, on the other hand, dates from the payment of the first premium. A single payment on a Sun Life Policy increases your estate to that extent and death automatically cancels future premiums.

The most profitable first payment you can possibly make is an initial premium on a Sun Life Policy—it will guarantee future security for yourself and your family.

Today is the best day to make the future safe with a Sun Life Policy.

SUN LIFE ASSURANCE
COMPANY OF CANADA
HEAD OFFICE MONTREAL

NORWICH UNION
FIRE
INSURANCE SOCIETY LTD.
Founded 1797

There are few companies in the world with as good or as long a record of satisfactory service to the insured.

FIRE · AUTOMOBILE · CASUALTY
Head Office for Canada: 12 Wellington St. E., Toronto
E. M. WHITLEY, *General Manager for Canada*
F. W. LAMONT, *Asst. Manager* C. C. PAULL, *Asst. Manager*

The Independent Order of Foresters
Monthly Income During Disability

Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND, *Supreme Chief Ranger,*
HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL
INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
FIRE LIABILITY WINDSTORM SPRINKLER LEAKAGE DOCTORS' AND DENTISTS' LIABILITY AUTOMOBILE PLATE GLASS
Head Office—WAWANESA, Man.
Eastern Office—341 CHURCH ST., TORONTO, Ont.
Branches also at Vancouver, B.C.; Edmonton, Alta.; Regina, Sask.; Winnipeg, Man.; Montreal, P.Q., and Saint John, N.B.

Western Improvement
—reflected in annual report!

Copy of 22nd
ANNUAL
REPORT
Mailed on Request

New Business Issued—Increased to	$2,109,353.00
Business in Force—Increased to	8,489,336.00
Premium Income—Increased to	229,955.00
Interest Income—Increased to	87,297.00
Dividends to Policyholders—Increased to	22,008.00
Special Reserves and Surplus—now	500,393.00

Assets are well distributed between Bonds and Debentures, Rural Mortgages and Urban Mortgages, and the Company ended the year in a strong liquid position. It confines its activities to Western Canada and is truly a Western Company for Western people.

Agents Wanted in Unrepresented Territory
SASKATCHEWAN
INSURANCE LIFE COMPANY
C. M. WILLOUGHBY, President
HEAD OFFICE: REGINA, SASK.
M. B. FARR, General Manager
Branch Offices at: REGINA—SASKATOON—EDMONTON—CALGARY—WINNIPEG

Business was Better
IN 1935

The year 1935 was one of definite progress and expansion for the Sovereign Life, all departments of the business showing substantial gains.

NEW INSURANCE IN 1935	$ 8,126,125.00
Being an Increase of $1,459,610.00, or 21.9%	
INSURANCE IN FORCE (Excluding Annuities)	$27,468,744.00
Being an Increase of $1,675,620.00, or 6.5%	
TOTAL ASSETS, December 31st, 1935	$ 6,120,212.97
Being an Increase of $269,725.00, or 4.6%	
POLICY AND ANNUITY RESERVES	$ 4,973,548.00
Being an Increase of $207,219.00 or 4.3%	

OTHER RESERVES

Policyholders' Profit Funds	$190,789.00
Investment Reserve	262,000.00
Paid-up Capital	209,995.00
Unassigned Surplus	145,475.96
Additional Security for Policyholders	$808,259.96

THE SOVEREIGN LIFE
ASSURANCE COMPANY OF CANADA
M. D. GRANT, *Managing Director.*
W. SANFORD EVANS, *President.*

NORTHWESTERN MUTUAL
FIRE ASSOCIATION
SEATTLE WASHINGTON
BRANCH OFFICES
TORONTO
HAMILTON
OTTAWA
VANCOUVER
VICTORIA
EDMONTON
CALGARY
SASKATOON
WINNIPEG
MONTREAL
QUEBEC CITY
ST. JOHN
HALIFAX
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST, ASSETS $5,183,603.19
ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20%. TO 30% ON RENEWALS

A Good . . . Provider!

The better a man provides for his family while he lives, the greater the hardship on them if he dies leaving them stranded.

This Company has grown because of its ability to help men make the future secure for their dependents.

May we help you?

London Life
Insurance Company
HEAD OFFICE LONDON, CANADA

Bank Chat

Lost Money

WITH so many continually on the outlook for an additional dollar, it is odd that literally thousands of people have money due them but which they have forgotten about. At the end of last year, Canadian banks had some $2,660,000 on account of deposits, drafts and dividends, for which no claim had been made for at least five years.

Small amounts are in the majority. However, some fortunate individuals may one day recall that years ago they had small bank balances which they had not wound up, and, on proving their claims, receive windfalls running well up in the thousands. At present the largest unclaimed balance is about $11,000.

Many of the forgotten accounts are very old. Some originated in the early days of Canadian banking. But all are listed, with the name and last known address of the owner, in an exceptionally large government report.

• • •

Trusts Are Large

MOST people realize in a vague way that trust companies are large financial institutions. But few are aware just how big they actually are.

At the annual meeting of the Toronto General Trusts Corporation, Thomas Bradshaw pointed out that assets of the Canadian trust companies, at $2.7 billions were relatively little below those of the banks, which amount to $2.9 billions and were greater by half, than those of life insurance companies at $1.8 billions.

As Mr. Bradshaw stated, these three groups comprise Canada's major financial institutions. While in some respects their functions resemble one another, each has a distinctly separate service to perform. It is significant that throughout the depression not a single one in any of these groups has failed to meet its obligations.

• • •

Central Bank Stock

SINCE the first allotment of Bank of Canada stock less than a year ago, the number of shareholders has shrunk considerably. When the bank first began operations there were 12,147 shareholders, but these had declined to 11,021 at the end of last year. This concentration means an increase in the average stock held by each shareholder from something over eight shares to just above nine, a figure which is still far below the maximum individual holding of 50 shares specified in the Bank of Canada Act.

Most shareholders are in Quebec and Ontario, these two provinces accounting for 28.7 and 43.2 per cent of the total stock, respectively. British Columbia and Yukon, Nova Scotia and Manitoba each have between five and six per cent, Saskatchewan has more than four, Alberta and New Brunswick between two and three and Prince Edward Island has less than one per cent.

• • •

Debt Legislation

DEBT legislation now in effect is unsound in principle, is being improperly administered, and is particularly burdensome to the small investor.

These are the conclusions of Archibald McPherson, president of the Ontario Loan and Debenture Co.

In dealing with the application of moratoria and debt adjustment legislation, Mr. McPherson states:

"Unfortunately the administration of these acts must of necessity be handed on to others than those who are responsible for their enactment, and in many instances the administration is faulty, very unjust to the creditors and carried on in a spirit which I believe the sponsors of the legislation never intended."

Such legislation, he maintains, tends to strike at the resources of the banks, loan companies and life insurance companies. These institutions are the poor man's investment channels. Consequently, the provisions are a blow aimed at the small investor and the resources of the public generally, which often represent "the saving effort of a lifetime."

Another Call Trust & Loan Seen Possible

Predicted for Next Fall Unless General Improvement Evident

FOR DEBENTURES

The 2s. 6d. call on shareholders of the Trust & Loan Co. of Canada, due Feb. 25, should tide the company over until the latter part of this year, according to L. S. Amery, president. At that time, in the absence of any general improvement, a further call of 2s. 6d. may be necessary.

Pay Off Debentures

The only purpose for which calls can be made is to pay off debenture indebtedness. The total short term debentures outstanding at the end of 1935 amounted to £1,028,000. Maturities in the first six months of 1935 amount to £230,000 and in the second six months to £88,000. Consequently, the call due next week, which amounts to £225,000, should cover maturities in the first half of the year. Should a further call be made this fall, the short term indebtedness would be cut to under £600,000, a position which Mr. Amery states "should cause no anxiety."

As the company's debenture stock does not mature until 1947, no drastic recourse to uncalled capital is contemplated. While there is debenture stock outstanding, borrowing will be limited to a total of £2 millions less the actual proceeds of any call which may be made.

More than 97 per cent of the call made last year has been received by the company.

Capital Revision

The proposed capital change which was approved at a recent meeting of shareholders, Mr. Amery states, was drawn up to give shareholders a marketable security which may assist them in meeting their liability to the company. The revision merely means that where formerly a shareholder had one ordinary share of £2, 22s. 6d. paid, he will have one five per cent non-cumulative preferred share of £1, fully paid, and one ordinary share of £1; 2s. 6d. paid.

TWENTY-THIRD ANNUAL REPORT

OF

The Waterloo Trust and Savings Company

ASSETS AND LIABILITIES

ASSETS		
CAPITAL ACCOUNT		
Office Premises, Waterloo and Kitchener including Safe Deposit Vault, etc., and Fixtures, Galt and Preston		$ 201,615.85
Other Real Estate		235,225.80
Mortgages		84,022.80
Loans on securities, including Company's own stock		255,743.34
Dominion and Provincial Government Bonds	$ 102,296.00	
Canadian Municipal Bonds	21,158.77	
Other Bonds and Debentures	291,129.75	
Stocks	4,044.80	
		418,629.32
Other Assets		57,978.64
Advances to Estates under administration		13,967.57
Due from Guaranteed Trust Account		150,000.00
Cash on hand and in banks		30,714.22
		$1,447,897.54
GUARANTEED TRUST ACCOUNT		
Mortgages (including Agreements for Sale, $123,564.57, covering mortgaged properties sold)	$5,222,124.17	
Interest due and accrued	181,786.77	
		5,403,910.94
Dominion and Provincial Government Bonds	960,377.65	
Dominion and Provincial Government Guaranteed Bonds	255,213.66	
Canadian Municipal Bonds	1,389,893.72	
Other Bonds and Debentures	392,924.33	
		2,998,409.36
Stocks		112,493.99
Demand loans against securities	74,530.78	
Interest due and accrued	865.91	
		75,396.69
Cash on hand and in banks		384,424.67
		$8,974,635.65
ESTATES, TRUST AND AGENCY ACCOUNT		
Mortgages		$ 491,000.70
Bonds		430,906.77
Sundry Trust Investments		132,051.91
Cash on hand and in banks		206,716.00
Inventory value of unrealized Estates Assets		3,514,240.08
		$4,774,915.46
Total Assets		$15,197,448.65

LIABILITIES	
CAPITAL ACCOUNT	
Capital (Paid-up)	$1,000,000.00
General Reserve	200,000.00
Investment Reserve	200,000.00
Dividend declared (Paid Jan. 2, 1936)	25,000.00
Profit and Loss	15,229.78
Provision for Unpaid Government Taxes	7,667.76
	$1,447,897.54
GUARANTEED TRUST ACCOUNT	
General Guaranteed Investment Receipts	$3,733,412.00
Trust Deposits	5,091,223.65
Advances from Capital Funds	150,000.00
	$8,974,635.65
ESTATES, TRUST AND AGENCY ACCOUNT	
Trust Funds for Investment	$1,246,707.81
Advances from Capital Funds	13,967.57
Inventory value of unrealized Estates Assets	3,514,240.08
	$4,774,915.46
Total Assets	$15,197,448.65

DIRECTORS

President
E. F. SEAGRAM
Waterloo

Vice-Presidents
F. S. KUMPF
Waterloo
LOUIS L. LANG
Galt

HENRY KNELL
Kitchener
R. O. McCULLOCH
Galt
W. L. HILLIARD, M.D.
Waterloo

H. J. SIMS, K.C.
Kitchener
THOS. W. SEAGRAM
Waterloo
F. HALSTEAD
Waterloo

W. H. SOMERVILLE
Waterloo

P. R. HILBORN
Preston
THOS. HILLIARD
Waterloo
GEORGE A. DOBBIE
Galt

P. V. WILSON
Managing-Director

OFFICES
Waterloo - Kitchener - Galt - Preston

Bank of England Vaults An Underground Fortress

A veritable underground fortress is gradually taking shape in the heart of financial London. Construction details and precautionary measures in connection with the revamping of the Bank of England are described in a recent bulletin of the Overseas Trade Department of the British Government.

"Of the many thousands of pedestrians who daily pass the Bank of England in Threadneedle Street," the bulletin states, "few realize that sixty feet below the level of the ground there is proceeding the biggest and most expensive building operation ever undertaken in the City of London.

"More than £20 millions is being spent in converting the bank into the world's safest bullion fort. The work has been proceeding for the past ten years, and nearly five more years will be needed to complete it. These strong rooms will then house all the bank's gold.

Noise Eliminated

"The Bank of England will be the first important building in London with all-welded steel girders. This particular system of framework has been chosen to eliminate deafening noises. No hammer blows are heard during the day time; any noisy work is carried out at night.

"The workmen have all been specially selected and no night shift man may leave until the day shift arrives. Besides the officials and guards the general foreman is the only man who knows the bank's countersign, which is changed every night. Throughout the night the premises are guarded by firemen, watchmen, detectives and soldiers; on the roof are armed guards.

"The main gates of the bank are controlled by code-clocks which open at set times. The vaults, which have cost £6 millions and are sunk three floors below street level, may be flooded for security against invation, fire, riot or bombardment. They have reinforced concrete walls, two feet thick, with armour plating surrounded by the waters of the subterranean river, the flood gates of which can only be operated by two electrical switch keys, which are entrusted to two men only."

CANADIAN BANKS' BRANCH OFFICES DOWN TO 3,572

Decline Attributed to Policy of Closing Unprofitable Branches

A decrease of 105 in the number of branches maintained in Canada and one foreign branch closed is the 1935 record of Canadian chartered banks. Branch offices at the year end totalled 3,572, of which 3,423 were in Canada.

A large part of the decline can be attributed to the policy of the banks in closing unprofitable branches. Agreements among the various banks, whereby some retire from municipalities in which there is too little business to justify the number of branches, have been successfully effected. It is expected that this policy will be continued; bank officials have expressed the view that there are still too many offices.

Maritimes Steady

Most of the decline last year took place in Ontario, Quebec and Saskatchewan, these three provinces accounting for more than 80 per cent of the closures. Greatest stability was shown in the maritimes where only one branch was discontinued.

44 Closed in December

In December 44 branches were closed, 16 by the Royal, five by the Nationale, 12 by the Commerce, six by the Montreal, three by the Nova Scotia and one each by the Dominion and the Toronto.

Comparative distribution of branches at the year end, geographically and by banks is as follows:

Branches Operated by Canadian Banks at December 31

	1935	1934	1933
Ontario	1,216	1,260	1,293
Quebec	1,073	1,093	1,108
Nova Scotia	134	134	136
New Brunswick	97	98	99
Pr. Edward Island	27	27	28
Manitoba	184	193	196
Alberta	209	215	237
Saskatchewan	289	309	340
British Columbia	190	195	199
Yukon	4	4	4
Total in Canada	3,423	3,528	3,640
Newfoundland	25	25	25
Elsewhere	124	125	131
Total	3,572	3,678	3,796
Barclays	2	2	2
Commerce	621	651	692
Dominion	130	133	134
Nationale	533	551	553
Imperial	194	196	198
Montreal	537	552	576
Nova Scotia	316	324	329
Provincial	313	317	317
Royal	750	773	816
Toronto	176	179	179
Total	3,572	3,678	3,796

Bank of Canada Weekly Statement

Changes in the Bank of Canada statement for the week ended Feb. 12 were relatively small and reflected ordinary, routine transactions.

Balance Sheet

Liabilities	Fef. 12 $	Feb. 5 $
Capital paid-up	5,000,000	5,000,000
Notes in cir.	87,175,383	88,013,049
Rest fund	173,092	173,092
Dep.: Dominion	20,163,390	22,393,831
Banks	180,063,548	180,784,634
Other	1,344,367	1,532,378
Total deposits	201,571,305	204,710,843
All other liabs.	553,333	1,258,274
Total liabs.	294,473,113	299,155,258
Assets		
Reserve: Gold	180,149,432	180,923,092
Silver bullion	1,496,267	1,496,267
Res. in sterling	1,515,519	452,275
Res. in U. S.	6,336,656	7,740,819
Res. elsewhere	4,909	8,816
Total reserve	189,502,783	190,621,269
Subsidiary coin	250,207	241,969
Investments:		
Dom. govt. short.	21,623,927	21,623,927
Other Dom. govt.	79,976,186	80,899,855
Total invest.	101,600,113	102,523,782
Premises	111,947	111,947
All other assets	3,008,062	5,656,291
Total assets	294,473,112	299,155,258
Reserve ratio	65.63%	65.12%

Weekly Bank Clearings

	Feb. 13 1936 $	Change year ago %	Feb. 6 1936 $
Halifax	1,975,331	+0.2	2,289,443
Saint John	1,420,576	+10.1	1,940,512
Moncton	582,008	—2.5	604,827
Sherbrooke	438,355	—19.0	589,023
Quebec	3,327,129	+9.0	4,898,532
Montreal	80,983,403	+22.8	125,255,169
Ottawa	14,889,775	+302.2	28,678,591
Kingston	476,494	+10.5	583,832
Peterborough	518,583	+7.8	660,943
Toronto	110,721,241	+29.2	157,407,360
Hamilton	3,827,607	+26.3	5,740,141
Kitchener	1,062,539	+37.7	1,100,643
Brantford	709,678	+3.3	987,666
London	2,269,721	+24.0	3,357,944
Chatham	394,470	—11.8	486,166
Windsor	2,215,176	+11.0	2,698,839
Sarnia	454,136	+41.6	475,811
Sudbury	754,597	+15.0	745,877
Fort William	466,940	+2.3	609,836
Winnipeg	48,096,572	+105.7	46,974,696
Brandon	188,674	—30.0	288,508
Regina	2,106,382	—16.8	3,289,173
Moose Jaw	427,285	+8.7	574,769
Saskatoon	1,076,629	—5.6	1,519,605
Prince Albert	247,319	+10.1	390,274
Edmonton	2,684,718	—16.0	3,732,201
Calgary	4,798,465	+23.8	5,475,662
Medicine Hat	127,491	—19.9	221,937
Lethbridge	359,208	—5.1	486,459
N. W'minster	558,121	+32.3	567,648
Vancouver	15,092,789	+24.3	21,826,258
Victoria	1,416,385	+9.1	1,944,738

Electric Output

The output of central electric stations in the Prairie Provinces last year amounted to 1,681,520,000 kilowatt hours, compared with 1,502,817,000 kw.h. in 1934.

Baxter Appointed Broker For Windsor Insurance

E. B. Baxter has been appointed insurance broker for Windsor, with supervision of all the city's insurance. Associated with him will be W. J. Burns Co., which will handle the board of education's insurance, and the Walker Insurance Agency, which will handle all city fire insurance except that of the board of education and the utilities commission. Mr. Baxter will deal with all casualty and liability insurance.

The insurance brokers will receive 40 per cent of the commission on the insurance they handle. The remaining 60 per cent will be distributed among other agents.

Foreign Exchange

The Canadian dollar was practically unchanged in terms of United States funds last week, but advanced against most other currencies. The gold bloc countries were an important exception, France, Holland and Switzerland showing relative strength.

The much rumored loan by England to France has finally developed, the issue being £40 millions at three per cent for a term of nine months. Failing restriction an accelerated movement of private British capital to investment in United States securities is expected. What Europeans consider a swing back to more orthodox treatment of economic problems, coupled with weakness in the dollar has led to the belief that profit prospects for foreign capital in America are exceptionally bright.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Feb. 11	Feb. 12	Feb. 13	Feb. 14	Feb. 15	Feb. 17
U. S. dollar, High	.5906	.99⅞	.99 11/16	.99⅞	.99 15/16	.99⅞	.99 15/16
Low	.5906	.99 11/16	.99 11/16	.99 11/16	.99 13/16	.99 13/16	.99 13/16
1935, High	.5906	1.00 1/32	1.00 1/32	1.00 1/32	1.00 1/32	1.00 1/32	1.00¼
Low	.5906	1.00 1/32	1.00 1/32	1.00⅛	1.00 1/32	1.00 1/32	1.00 1/32
U. K. pound	4.8665	4.99½	4.98¾	4.97½	4.98½	4.99½	4.98
Argentina	.4246	.2784	.2784	.2753	.2755	.2762	.2770
Australia	4.8665	3.9877	3.9820	3.9740	3.9805	3.9890	3.9791
Austria	.1407	.1901	.1901½	.1895	.1897¾	.1903	.1903¾
Belgium	.1392	.1702¾	.1704	.1695¼	.1699¼	.1702¼	.1704½
Brazil	.1963	.0589	.0589¼	.0584	.0573¾	.0574	.0575
Czechoslovakia	.0296	.0419½	.0422	.0417	.0418½	.0419¼	.0419¾
Denmark	.2680	.2230½	.2232	.2222½	.2227	.2232½	.2227½
France	.0392	.0667	.0668½	.0664	.0666	.0667½	.0668
Germany	.2382	.4067½	.4077	.4048½	.4056	.4064½	.4065½
Greece	.013	.0095¼	.0096½	.0095¼	.0095¼	.0095¼	.0095½
Holland	.4020	.6857¼	.6860	.6830	.6848	.6866¼	.6865¾
Hungary	.1749	.2995¼	....	.2975¼	.2978½	.2985¼	.2988
India	.3650	.3809	.3810¼	.3796	.3792½	.3801	.3808
Japan	.4985	.2923½	.2926¼	.2910½	.2911½	.2915½	.2918
Jugoslavia	.1929	.0232½	.0233	.0231¼	.0232½	.0232½	.0233
New Zealand	4.8665	4.0279	4.0222	4.0142	4.0206	4.0293	4.0192
Norway	.2680	.2511	.2513	.2501	.2505½	.2511	.2518
Poland	.1122	.1913	.1915	.1908	.1909	.1915	.1915
South Africa	4.8666	4.9698	4.9626	4.9526	4.9606	4.9712	4.9588
Spain	.1929	.1382¼	.1385	.1376¼	.1380	.1382¾	.1384
Sweden	.2680	.2576	.2578	.2567	.2570¼	.2576	.2571¼
Switzerland	.1930	.3300	.3303	.3285¾	.3295¾	.3202¾	.3305
Hong Kong	.5422	.3299¾	.3300¼	.3294¾	.3277¾	.3289¾	.3293

Ontario Savings Office Adds Windsor Branch

A Windsor branch of the Ontario Savings office has recently been opened, with J. M. Brady, associated with the Bank of Toronto some years ago, as manager. Department officials claim that although a considerable volume of business from the United States is expected, the new branch represents ordinary expansion. It is not definitely planned at present to set up a number of offices at border points to attract American business.

Staff Changes

The Royal Bank of Canada has made the following changes in staff:

R. S. PATTERSON, formerly acting manager at Lottridge & Barton, Hamilton, to be manager at Burford.

H. S. EASTER, formerly assistant accountant at Victoria Ave., Westmount, to be accountant at Queen Mary & Decarie, Montreal.

G. T. BROWNLEE, formerly accountant at Queen Mary & Decarie, Montreal, to be accountant at Green Ave., Westmount.

K. S. MACLEOD, formerly manager at Oxbow, to be manager at Wolseley, Sask.

W. L. SIMPSON, formerly manager at Burford, to be manager at Embro, Ont.

Travelers' cheques for ready cash

Issued in denominations of $10, $20, $50 and $100. Pay Hotels, Transportation Companies and all travel charges by traveler's cheque instead of cash.

Travelers' Cheques Cashable Everywhere

111

IMPERIAL BANK OF CANADA

HEAD OFFICE - TORONTO
BRANCHES THROUGHOUT CANADA

BEAUHARNOIS HEAD DISCUSSES CONTRACTS

Norris Outlines Steps in Ontario Hydro Dispute

From Our Own Correspondent

MONTREAL.—Beauharnois Power Corp.'s annual meeting was largely devoted to the remarks of John S. Norris, president, on the situation arising out of the cancellation by Ontario of the Hydro contract made with the company.

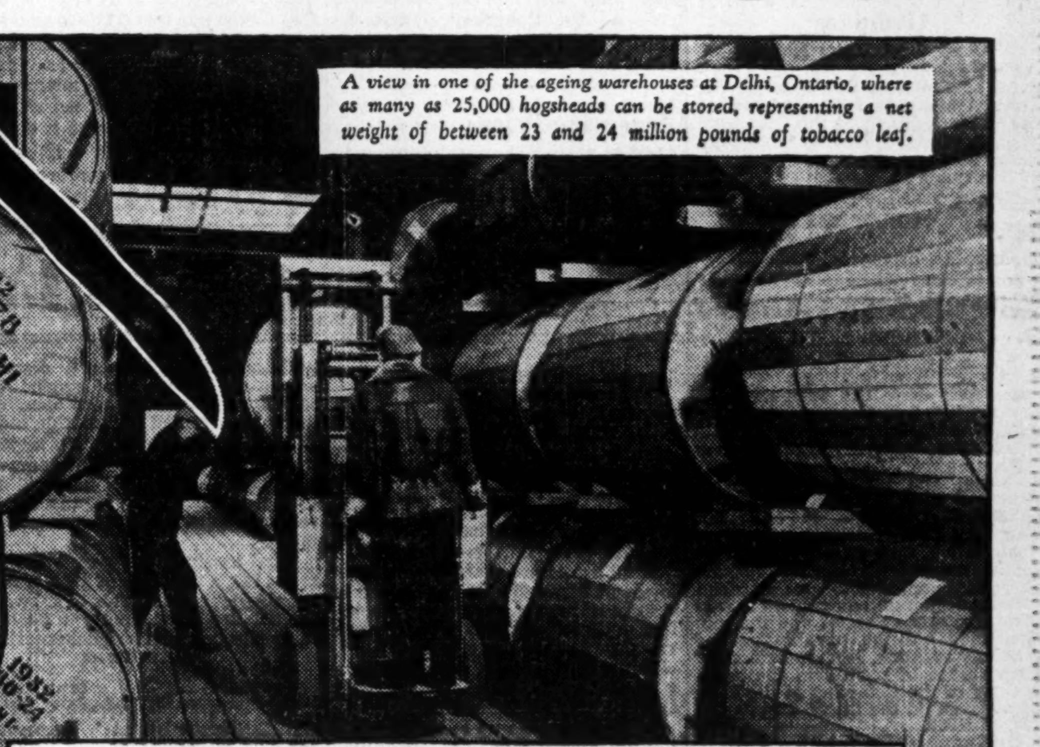
After pointing out that the company had gone ahead in good faith and spent $40 millions of the bondholders' money in building and equipping the plant, Mr. Norris told of the unfavorable reaction following Ontario's cancellation of the Hydro contracts "for no other reason than to save $1 per capita per year."

"The shareholders will be interested to know," he went on to say, "that our contract when made was submitted to and approved by the Lieutenant Governor-in-Council of the Province of Ontario, in accordance with the provisions of Section 53 of Chapter 57 of the Statutes of Ontario 1927 known as 'The Power Commission Act,' and in the language of the act thereupon became 'valid and binding upon the parties thereto and not open to question upon any grounds whatsoever, anything in this act, or in any other act to the contrary notwithstanding.'

"As forecast in our report we have since petitioned the Federal Government for disallowance of this act of repudiation.

"We have asked the trustees for the respective bond issues to convene meetings of the bondholders for the purpose of appointing protective committees."

1932
NO 3170
DELHI



A view in one of the ageing warehouses at Delhi, Ontario, where as many as 25,000 hogsheads can be stored, representing a net weight of between 23 and 24 million pounds of tobacco leaf.

"Father Time"-- *Our Oldest* Employee!

BETWEEN the green leaf in the fields and the golden brown tobacco you buy, many things intervene, involving two main factors — Time and Processing.

To grant you the boon of complete smoke satisfaction, tobacco must be aged. It must be aged exactly right, and only Father Time can do the job. He will not be hurried. Thirty months is the average period; but just leave him alone and how wonderfully he matures and mellows the leaf for you.

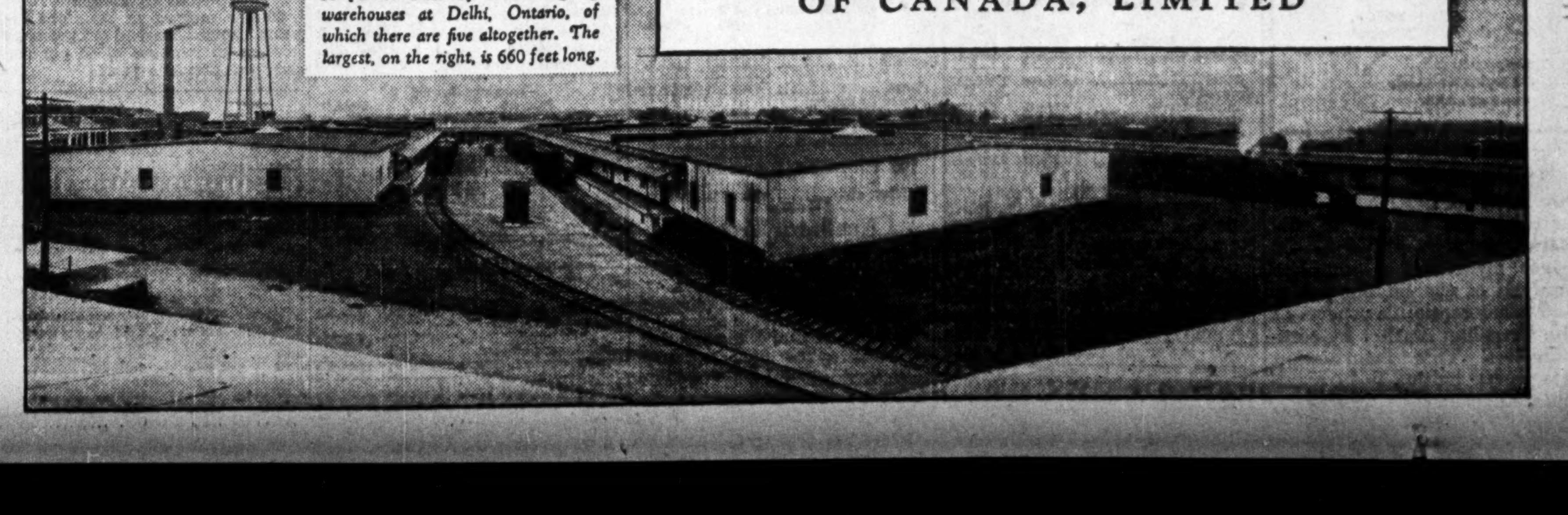
Our tobaccos are aged by Father Time in many different storage warehouses located throughout the world, but the Ontario grown, flue-cured leaf we buy goes through the mellowing process at Delhi, Ontario, in a plant operated by this company.

That vast warehouse at Delhi stores tens of thousands of wooden hogsheads packed with slowly maturing tobacco leaf. It is an unusual warehouse, without a floor. The ground is covered five feet deep with builder's sand as insulation against earth odours and damp. Above the sand the hogsheads rise row on row, resting on stringers, with free air space all around. Plank runways between the hogshead rows provide access to them, for removal or replacement.

For nearly three years these hogsheads of selected tobacco leaf lie mellowing under the subtle influence of Father Time. Summer breezes, winter blasts, circulate around and about them, until at last the tobacco is just right, "aged in the wood", fit and ready for manufacture.

We have reason to be proud of our Delhi plant. Experts from abroad have called it: *"The last word in a scientific tobacco handling plant."*

IMPERIAL TOBACCO COMPANY
OF CANADA, LIMITED



A partial view of several ageing warehouses at Delhi, Ontario, of which there are five altogether. The largest, on the right, is 660 feet long.

NOTICE

To Let or For Sale

Premises formerly occupied by Stanfords at 1430 Mansfield Street, Montreal. Includes store and warehouse with refrigeration equipment. Space approximately 12,000 square feet.

Apply Banque Canadienne Nationale, 759 St. Catherine Street West, Montreal.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 196

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 29th February, 1936, and that the same will be payable at the Bank and its Branches on and after Monday, 2nd March next, to shareholders of record at the close of business on the 31st January, 1936. The Transfer Books will not be closed.

By Order of the Board,

S. H. LOGAN,
General Manager.

Toronto, 17th January, 1936.

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up capital stock of this Institution has been declared for the quarter ending 31st March, 1936, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Wednesday, the 1st day of April, 1936, to shareholders of record of the 20th March, 1936.

By Order of the Board,

DUDLEY DAWSON,
General Manager.

Toronto, 13th February, 1936.

Lake Shore Mines, Limited

(No Personal Liability)

DIVIDEND No. 64 — BONUS No. 25

Notice is hereby given that a quarterly dividend of fifty per cent, together with a bonus of fifty per cent, on the issued capital stock of the Company, will be paid on the sixteenth day of March, 1936, to shareholders of record at the close of business on the second day of March, 1936.

By order of the Board.

KIRKLAND SECURITIES, LIMITED.
Secretary.

Dated at Kirkland Lake, Ontario, February 15th, 1936.

Anglo-Canadian Telephone Company

Class A Dividend Notice

Notice is hereby given that a dividend of One and One-Quarter Per Cent (1¼%) has been declared on the Class A Stock of the Company, payable March 2, 1936, to Stockholders of record at the close of business on February 15, 1936.

By Order of the Board.

GEOFFREY PURDY,
Secretary.

Montreal, February 14, 1936.

Acme Glove Works Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of NINETY-FIVE CENTS (95c.) per share has been declared on the 6½% Cumulative Convertible First Preferred Shares of Capital Stock of the Company, for the period extending from December 15th, 1935, to March 31st, 1936; and also that a dividend of FIFTY-SIX AND ONE QUARTER CENTS (56¼c.) per share has been declared on the 6½% Cumulative Convertible First Preferred Shares of Capital Stock of the Company, applicable on dividend arrears accumulated against the said First Preferred Shares; and the said dividends will be payable on the first day of April, 1936, to holders of such shares of record on the share records of the Company at the close of business on the thirty-first day of March, 1936.

By Order of the Board.

A. LEPINE,
Secretary.

Montreal, February 13th, 1936.

RELIANCE GRAIN COMPANY LIMITED

PREFERENCE DIVIDEND No. 33

NOTICE is hereby given that a dividend for the quarter ending February 29th, 1936, at the rate of 6½% per annum, will be paid on March 14th, 1936, to all preference shareholders at record at the close of business on February 29th, 1936.

By order of the Board,

A. W. GIBB, Secretary.

Winnipeg January 17th, 1936.

Mercury Oils Limited

NOTICE

To Shareholders

Notice is hereby given that a dividend of three cents per share has been declared upon the Common shares of the Company, issued and outstanding, payable on April 1st, A.D. 1936, to shareholders of record at 1 P.M. on Saturday, February 29th, A.D. 1936.

The transfer books of the Company will be closed at 1 P.M., on Saturday, February 29th, A.D. 1936, and will be reopened on Tuesday, March 31st, A.D. 1936.

By Order of the Board of Directors,

CHAS. BIGGS,
Secretary.

Transfer Office:
300 Lancaster Bldg.,
Calgary, Alta.

The Financial Post BUSINESS YEAR BOOK for 1936 contains the answer to the sales manager's prayer — 70 pages presenting a complete analysis of the buying power and other economic aspects of the Canadian market by communities. This information has never before been available.

Week In Wheat

Market Dull

* * * *

Britain Supplied

From Our Own Correspondent

WINNIPEG.—The market has continued dull after last week's one-day spurt when 2.5 millions of bushels were sold for export over-night. Succeeding days have seen only a moderate volume. Last week's overseas shipments of Canadian wheat, at 4 million bushels, when supplemented by almost a million bushels absorbed in the United States, make a good showing in comparison with the corresponding period of last year.

* * * *

British and continental markets appear to be impressed with the total volume of wheat made available to them from Russia, Sweden, Poland, Portugal and France, in addition to what Canada and Australia are furnishing, and refuse to be stampeded into any great volume of forward buying. They also note the comparatively small shipments to Oriental markets as indicating that Australia will be able to keep up substantial European shipments for some time.

European Crops

WHEAT markets have been developing an undertone of strength from the gradually developing feeling that 1936 European wheat production is likely to be smaller than during recent years. In Danubian countries the crop suffered to some extent from drought after seeding and later over growth before winter. In other countries, especially France, there has been too much wet weather. While European crops are not usually subjected to as wholesale variability as is common here, nevertheless, adverse conditions generally prevailing could easily cut several hundred million bushels off the yield. Should such a condition happen to be accompanied by a shortage in rye crops, and a potato production, a heavy demand for imported wheat might easily result.

* * *

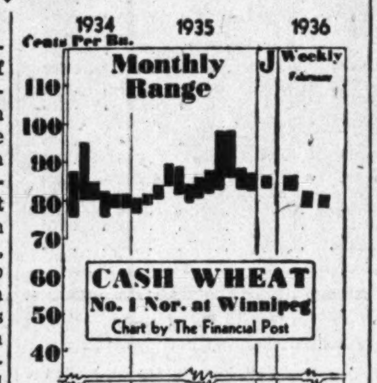
British Duty

IT IS not improbable that the British preferential duty of six cents a bushel will have the effect of keeping Argentina wheat altogether out of Great Britain during coming months. Ever since that duty was imposed, the Argentine price has been cut by enough to absorb the duty and allow Argentine wheat to enter freely into the British market. But with only limited supplies requiring to find an outlet this year, such a cut will not be necessary if Argentina can market her whole crop on the Continent, where no differential prevails in favor of Canadian and Australian wheat.

* * *

Argentine Prices

SOME Argentine wheat appears to have been put afloat to Europe unsold. Upon its arrival and necessary sale a trading basis may be arrived at that will establish the value of Argentine wheat this year in comparison with Canadian wheat. The nominal quotations now made of prices higher than those for Canadian wheat can hardly be maintained once supplies of new crop wheat are offered in Europe. Most of Argentina's weekly shipments of wheat are consigned to Brazil. On such business, so long as no attempt is made to sell wheat in Europe, Argentina can probably maintain prices well above the Canadian level, on account of the freight differential prevailing in Argentina's favor.



CASH WHEAT
No. 1 Nor. at Winnipeg
Chart by The Financial Post

* * *

Conference Postponed

THERE is considerable disappointment that Hon. W. D. Euler, Federal Minister of Trade and Commerce has found it necessary to postpone the wheat conference scheduled for next week at Winnipeg. Parliamentary developments, it is understood, have been responsible for the delay. There is a feeling that useful results can be obtained from such a conference as soon as it is possible to hold it.

Are Doubtful 1936 Surplus Of U.S. Wheat

Chicago Fears Hard Winter For Fall Sown Crop

UNCERTAIN YET

From Our Own Correspondent

WINNIPEG.—Uneasiness is beginning to be felt in the United States as to the way in which fall wheat will come through the extraordinarily cold weather of this winter.

The fear is evident to some extent in market quotations, for July wheat at Chicago maintains a fair premium over the quotation for the same month at Winnipeg. Up to a short time ago Chicago July and Winnipeg July ran for a long time very close together.

First Discounted

It was evident that the Chicago market was discounting the possibility that the United States might produce a large crop in 1936 and have to sell the surplus at world prices, which would tend to keep Chicago and Winnipeg closely in line. Chicago wheat is not actually on an exportable basis when it is at the Winnipeg level, but wheat at Gulf ports and on the Pacific Coast is likely to be exportable under such conditions.

Pulling Away

Lately the Chicago July quotation has been pulling away from Winnipeg, and showing an ability to hold its own when the Canadian market is weak. That means, apparently, that at least some people are counting on the possibility of the United States crop being comparatively short again in 1936, and of prices there remaining above the Canadian level in consequence.

Winter wheat crop can stand a good deal of winter killing, if good growing conditions are provided during the spring and summer. Reports when first available are likely to be decidedly mixed. Some areas are in poor condition so far as moisture is concerned, and some the reverse.

Spring Wheat

Spring wheat states are feeling reasonably optimistic about their prospects for 1936 though good seed is scarce. Moisture conditions were good at freeze-up, and there has been a good deal of snow during the winter. As is the case in Western Canada there is a theory, not always borne out by experience, that a severe winter is likely to be followed by a good crop.

Cattle Exports

Canadian cattle exports to the United States have shown a large increase during the last twelve months. Canada shipped 122,089 head to the neighboring republic in 1935, as compared with 5,971 in 1934.

January Flour Export Records Sharp Drop

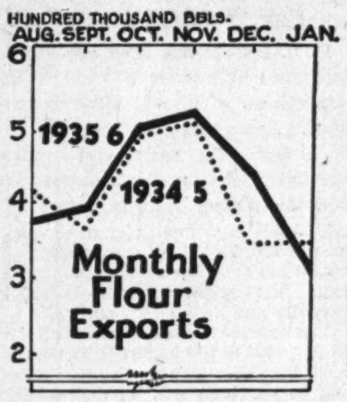
Canadian Total Still Almost 100,000 Barrels Above 1934 Period, and Last Month's Total Was First Decline Since August

Although exports of Canadian wheat flour for the present crop year, which began August 1, 1935, are still almost 100,000 barrels ahead of the corresponding period in 1934, volume declined sharply in January. This was the first setback since last August.

The present crop year started with a slight decline in exports for the first month, but from September on there were steady increases and business was brisk in all directions. About the middle of December, however, a lull set in and while total shipments for that month substantially exceeded those for December, 1935, the decline continued into January with the result that exports that month fell off approximately 30,000 barrels

All Markets Involved

The decline applied to practically every export market possessed by Canada. There was a reduction in volume going to the U. S. and a more serious one in the larger export market of the United Kingdom. In January, 1935, almost 175,000 barrels were exported to the United Kingdom but less than 158,000 in January, 1936.



Monthly Flour Exports

Actual exports of wheat flour since the beginning of the crop year in August have been as follows:

Wheat Flour Exports

Month:	1935-36 (bbls.)	1934-35 (bbls.)
August	376,562	412,089
September	395,640	369,320
October	501,442	485,549
November	525,368	504,384
December	443,828	340,751
January	341,311	346,099
Total	2,557,151	2,458,192

Most Canadian exporters are hopeful that the midwinter decline will only prove temporary.

In a special article on the milling stocks published in a recent issue of The Financial Post, it was pointed out that the regaining of Canada's lost flour markets must be a gradual process. Ten years ago, export volume of flour from this country was about twice as large as that reported last year.

Low Grade Flour

While prices of Canadian grain and flour are now much more in line than during the era of the wheat pools and the McFarland wheat board, millers and bakers in the United Kingdom particularly, have introduced low grade flour to their mix so successfully that the replacement of this by higher grade Canadian flour will take some time.

Millers also point out that some adjustment in freight and ocean rates would be necessary before exports from Canadian and from United Kingdom mills could meet in foreign markets, particularly the West Indies, on an equitable basis.

See Steady Wheat Demand And Dwindling Carry-over

Stanford January Summary Favors Canadian Selling in Next Five Months — Poor 1935 Crops Force World to Turn to Surplus

The international statistical position of wheat has changed little during the past four months, according to the January survey by Stanford University. Crop-year supplies available to the world ex-Russia still appear so small as to involve heavy drafts upon stocks. Export surpluses exceed import requirements by the narrowest margin in eight years.

Prices

Prices have responded to the relative lack of abundance, but in mid-January were little higher than in mid-September. Deterioration, improvement, and subsequent deterioration in Southern Hemisphere crops affected price movements on the world's leading futures markets. So also did fixing of a high minimum domestic price in Argentina (in mid-December), and a shift to freer selling on the part of the Canadian Wheat Board. This board now exercises nearly complete control over Canadian wheat supplies, which include the great bulk of the world export surplus. Its influence on world prices, however, will tend to be exerted with reference to the desirability of working down the Canadian carryover.

A low volume of international trade in 1935-36 seems assured. The forecast of total net exports of some 545 million bushels implies that trade will be somewhat more active in January-July than it was in August-December. "World" year-end stocks still seem likely to fall to a normal level close to 625 million bushels. Wheat disappearance in the world ex-Russia may be somewhat larger in 1935-36 than in 1934-35, largely because the North American crops of 1935 contained so much low-quality wheat.

Winnipeg May Wheat

For two months or more, before new crop prospects become dominant as price influences, the Winnipeg May future may be held steady by the powerful Canadian Wheat Board. The corresponding future at Liverpool may tend to rise slightly, adjusting to the position of cash wheat. But the Chicago May future is subject to opposing sets of influences affecting its relations to futures in foreign markets, and may either advance or decline.

Trust and Loan Companies

Home Investment

Net profit of $24,553, $1.530 under the 1934 total, was earned by the Home Investment & Savings Association in 1935. Charges on profit and loss account of $27,626 for reserve for loans and real estate and a special appropriation of $4,000 for depreciation, reduced the balance carried forward from $27,732 to $20,517

Total assets are more than $50,000 lower at $1,801,459. This decrease is chiefly in mortgages; security holdings and real estate have risen since the previous statement. Securities, which are carried at $382,599, have a market valuation of $405,099, well above total public liabilities.

Collections are said to have shown a little improvement.

Earnings Record

Year	Paid-up Capital and Reserves $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1930 ...	1,521,325	63,306	5	6.35
1931 ...	1,521,400	53,056	4	5.32
1932 ..	1,496,400	41,597	3	4.17
1933 ...	1,396,400	37,421	..	3.75
1934 ...	1,396,400	27,082	..	2.72
1935 ...	1,396,400	24,553	..	2.46

*After making provision for taxes.

Public Liabilities and Assets

	1935 $	*1934 $
Inv't. certificates	168,356	203,886
Deposits	205,240	212,185
Total	373,596	416,071
Secured by assets:		
Liquid assets	382,599	375,417
Mortgages & int.	904,519	1,018,605
Net cap. ac. assets	503,395	446,184
Total	1,790,513	1,840,206

Grey & Bruce Trust

The 1935 annual report of the Grey & Bruce Trust & Savings Co. is featured by an increase of nearly $300,000 in total assets, almost all of which is in guaranteed trust account. The increase in deposits and investment certificates is reflected chiefly in larger security holdings, although mortgages also are up substantially. In capital account, higher loans and real estate holdings slightly more than offset decreases in mortgages and securities.

Profit for the year is shown at $41,671, compared with $45,558 in 1934. After dividends and depreciation, the balance of $18,053 was transferred to special reserves.

Earnings Record

Year	Paid-up Capital and Reserves $	Net Profits* $	Div. Rate %	Rate Earned per sh. %
1930 ...	628,099	42,512	6	7.81
1931 ...	633,165	40,904	6	7.70
1932 ...	636,605	34,204	4	6.28
1933 ...	637,103	35,833	4	6.58
1934 ...	637,678	45,558	4	8.37
1935 ...	637,678	41,671	4	7.66

Par value of stock $50.
*After reserve for taxes.

Public Liabilities and Assets

	1935 $	*1934 $
Inv't. certificates	876,153	774,330
Deposits, etc.	861,755	668,271
Total	1,737,908	1,442,601
Secured by:		
Liquid assets	934,013	697,971
Mortgages & int.	803,895	744,630
Net cap. ac. assets	689,144	685,278
Total	2,427,052	2,127,879
Estates, etc.	616,804	620,262

Mortgage Corp. of N. S.

Revenue of the Mortgage Corp. of Nova Scotia in the year ended Dec. 31, 1935, amounted to $122,480, compared with $134,939 in the previous year. Chiefly due to a lower amount paid in debenture interest, however, net profit for the year is only about $7,500 lower at $58,247. After all charges, surplus is carried forward at $1,951, as against $2,304 in 1934.

The company's policy of gradually withdrawing from some districts where conditions have proved unsatisfactory has been continued The increased demand for suitable mortgages by companies which usually invest in bonds, has led the company to repay debentures as they fell due to the extent of $86,413, and also to refuse a substantial amount of new money.

Total assets at the year end were $2,044,446, a decrease of $80,875 from the previous year. This is shown in the balance sheet chiefly in declines in mortgages, cash and debentures.

Earnings Record

Year	Paid-up Capital and Reserves $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1930 ...	972,000	68,921	6	10.13
1931 ...	992,000	67,050	7	9.86
1932 ...	1,010,000	64,214	7	9.44
1933 ...	1,020,000	69,506	7	10.22
1934 ...	1,020,000	65,812	7	9.67
1935 ...	1,020,000	58,247	7	8.56

*After cost of management, interest and taxes.

Public Liabilities and Assets

	1935 $	*1934 $
Debentures and int.	608,042	695,871
Deposits	69,841	61,534
Total	677,883	757,405
Secured by:		
Liquid assets	109,166	153,330
Mortgages & int.	1,549,101	1,587,823
Other net assets	361,644	358,665
Total	2,019,911	2,099,818

Chartered Trust

Net profit earned by the Chartered Trust & Executor Co. in 1935 amounted to $70,250, compared with $89,547 in the previous year. After dividends of $10,000 and transfer of $20,000 to investment reserve, profit and loss balance has been increased by $40,250 to $115,120.

Although capital account and estates under administration are lower than in 1934, an increase of $588,146 in guaranteed funds was instrumental in raising total assets from $24,761,738 to $25,241,516.

It is stated that the company's liquid position is such that if need arose, all deposits could be paid off within a week. No mortgages are held on properties outside of Ontario; more than 96 per cent being in Toronto and suburbs.

Earnings Record

Year	Paid-up Capital and Reserves $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1930 ...	1,230,000	78,211	6	7.82
1931 ...	1,200,000	61,619	6	6.16
1932 ...	1,100,000	49,854	5	4.98
1933 ...	1,100,000	48,218	..	4.82
1934 ...	1,100,000	89,547	..	8.95
1935 ...	1,100,000	70,250	†1	7.03

*After reserve for taxes, depreciation write-off and amount on account of goodwill and interest of business acquired by Montreal branch.
†Paid Jan. 2, 1936.

Public Liabilities and Assets

	1935 $	*1934 $
Inv't. certificates	1,464,634	901,629
Deposits	2,563,887	2,538,747
Total	4,028,521	3,440,376
Secured by assets:		
Liquid assets	3,226,880	2,518,529
Mortgages & int.	801,641	921,847
Net cap. ac. assets	1,215,120	1,174,871
Total	5,243,641	4,615,247
Estates, etc.	19,889,193	20,052,010

Northern Trusts

Net income of Northern Trusts Co. in 1935 was $7,798, as against $5,836 in the preceding year. In addition to this amount, surplus was credited with $14,176, representing cancellation of part of the provision for unpaid taxes. Surplus carried forward at the year end totalled $55,872.

Estates under administration recorded a substantial increase during the year, rising from $14,607,696 to $14,851,352. Comparison of capital account items with those of the previous year is difficult because the 1935 statement shows the balance sheet after giving effect to a capital reorganization.

Authorized capital has been cut from $2 millions to $1 million, and that issued and fully paid up from $1.5 millions to $600,000. The difference of $900,000 plus the various reserves which at the end of 1934 amounted to $385,185, have been applied in writing off $87,616 from interest due on mortgages and agreements and $688,844 from office premises and to set up a reserve for real estate held for sale. The balance of $508,725 has been set aside as reserve against investments generally, although applicable especially to mortgages and agreements.

Largely as a result of these changes, total capital assets have dropped from $1,985,486 to $1,177,507.

Earnings Record

Year	Paid-up Capital and Reserves $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1930 ...	1,800,000	79,386	2.50	2.31
1931 ...	1,800,000	55,752	1.50	1.19
1932 ...	1,800,000	35,333	0.50	...
1933 ...	1,800,000	12,043	...	...
1934 ...	1,750,000	5,836	...	...
1935 ...	‡1,108,725	7,798	...	...

Par value of stock $50.
*After all management expenses, directors' and auditors' fees, salaries, taxes, etc., but before provision against depreciation in market value of bonds, debentures and stocks.
†After provision against depreciation in market value of bonds, debentures and stocks.
‡After giving effect to capital revision.

Public Liabilities and Assets

	1935 $	1934 $
Guaranteed funds	1,579,143	1,762,176
Trust funds	654,445	675,859
Total	2,233,588	2,438,035
Secured by assets:		
Liquid assets	5,679	10,731
Mtge. & sale agree.	2,227,909	2,427,,304
Net cap. ac. assets	1,164,598	1,790,549
Total	3,398,186	4,228,584
Estates, etc.	14,851,352	14,607,696

Acadia Trust

Income of the Acadia Trust Co. in 1935 at $84,610 was slightly above that of the preceding year, but expenses were also higher. On balance net profit declined from $57,043 in 1934 to $54,781. Profit and loss balance rose from $49,482 to $84,263 as a result of the year's operations.

The balance sheet shows an increase in all departments of the company's business. Reserves and surplus now amount to about 3½ times capital. Liquid position has been well maintained.

Earnings Record

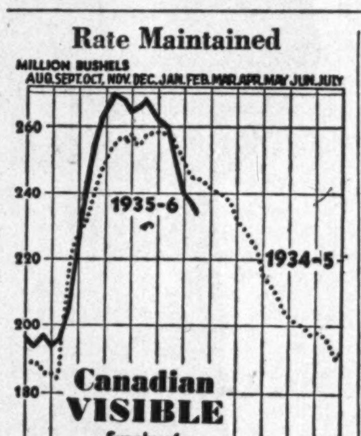
Year	Paid-up Capital and Reserves $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1930 ...	600,000	48,324	8	24.16
1931 ...	700,000	55,619	10	27.80
1932 ...	700,000	55,239	10	27.61
1933 ...	700,000	*46,902	10	23.45
1934 ...	800,000	57,043	10	28.52
1935 ...	800,000	54,781	10	27.39

*After deducting income tax reserve of $7,000.

Public Liabilities and Assets

	1935 $	*1934 $
Guar. funds	863,911	859,482
Secured by assets:		
Liquid assets	814,725	832,584
Mortgages and int.	49,186	26,898
Net cap. ac. assets	884,263	849,483
Total	1,748,174	1,708,965
Estates, etc.	5,740,938	5,694,062

Rate Maintained



Canadian VISIBLE Supply of WHEAT
Chart by The Financial Post

Well over four million bushels of Canadian wheat moved into consumption last week and the visible supply in marketable positions declined correspondingly. The Department of Trade and Commerce at Ottawa estimates that there remains about 35 millions of new wheat still in farmers' hands.

While some of this will undoubtedly move into elevators it is estimated that practically all of it will find its way back to the country for seed purposes. The present visible supply of around 235 million bushels therefore would seem to represent the surplus Canada has for export and carryover. At the present rate of between four and five million bushels weekly this will mean an approximate carryover of 125 million bushels. Most opinion in the grain trade believes that an even greater sale than this may be accomplished.

Details are as follows:

Canadian Visible (bushels)

Feb. 14	week previous	year ago
235,414,000	239,628,000	244,530,000
Export Clearances‡		
4,312,276	5,192,636	1,505,504

‡Plus United States imports.

Cheese Production

Cheese making in Manitoba last years showed marked progress, reporting an increase of 44 per cent over the previous year.

POOR SEED MENACES U. S. SPRING WHEAT

Rust and Drought Damaged — Won't Withstand Poor Weather

The spring wheat crop of the northwestern United States this year is seriously menaced by an inferior seed supply, according to the Northwestern Miller. Without state and federal government aid, the outlook, according to this authority, is distinctly unfavorable.

Only supplies from the rust and drought ravaged crop of 1935 are available over large areas. Recent experiments conducted by various agricultural agencies have revealed that this crop will not produce a normal growth of grain under conditions usually experienced in the district.

Part of the poor results in 1935 are blamed on poor seed gathered from the crop of the year previous. It was discovered that the late grain used could not withstand the unfavorable heat, cold and dryness of the weather last year.

Wheat Prices

(Cash Quotations)

At Winnipeg:	For Week Feb. 18 High $	For Week Feb. 18 Low $	Prev. week High $	Prev. week Low $
1 Man. Hard	.82⅞	.81½	.83¾	.81¼
1 Northern	.81⅞	.80½	.83½	.80⅛
2 Northern	.79⅝	.78⅛	.81⅛	.77⅞
3 Northern	.75½	.74	.77⅛	.73¾
4 Northern	.72⅝	.71¼	.74⅛	.70¾
5 Wheat	.64¼	.63	.65⅞	.62½
6 Wheat	.55½	.54	.57⅛	.53¾
Feed Wheat	.46	.45	.47⅝	.44¼
Vancouver: Week to Feb. 14:				
1 Northern	.83½	.81	.85⅝	.83¼

Competitive Export Prices:
(Feb.) shipment:

	High Week to Feb. 14 $	Low Week to Feb. 14 $
No. 1 North (Vanc.)	1.01⅜	0.98
No. 2 North. (Atlan.)	0.97¾	0.94½
No. 2 North. (Vanc.)	0.99⅝	0.96⅛
Argentine Rosafe†	unquoted	
Do., Barusso†	unquoted	
Australian	0.94	0.91¾
Australian (March)	0.96¼	0.90⅝
French	0.80¾	0.79⅝

†Feb.-Mar.

Winnipeg Grain Prices

Week to Feb. 18, 1936

Crop year from Aug. 1, 1935 High	Crop year from Aug. 1, 1935 Low		Open Feb. 12	High for week	Low for week	Close Feb. 18
		Wheat				
1.02¼	.82¼	May	.83½	.84¾	.82¾	.83
.92⅞	.83⅛	July	.84⅜	.85½	.83⅜	.84
.89	.82⅛	Oct.	.83¾	.84⅜	.82¾	.83
		Oats				
.35⅝	.29⅝	May	.32¼	.32⅝	.32	.32⅜
.33⅜	.30	July	.31⅞	.32¼	.31⅛	.31⅞
		Barley				
.42½	.34⅝	May	.37¾	.38⅛	.37⅛	.38½
.40	.35⅝	July	.38½	.39⅝	.38¼	.38⅞
		Flax				
1.65	1.33	May	1.60	1.60⅞	1.57¼	1.57¾
1.63	1.40¼	July	1.57¾	1.58⅝	1.55	1.55¼
		Rye				
.51⅞	.41¼	May	.45¼	.45⅞	.44⅝	.45⅛
.48½	.43⅛	July	.46	.46⅝	.45⅝	.46⅛
.49⅝	.46⅝	Oct.	.47⅝	.48¼	.47	.47⅝

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Terminal Elevator at Port Arthur
(Capacity 5,500,000 bushels)
Over 200 Elevators in Western Canada

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J. E. Dudley, Vice-Pres. and Gen. Mgr.

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Own and Operate
One Terminal Elevator in Winnipeg
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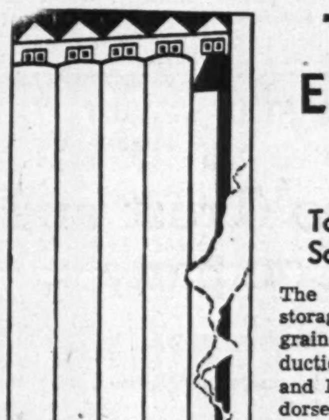

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Capacity:
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Sarnia, 3 Million Bushels

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The Sarnia Elevator Co. Ltd.
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DR. JACKSON FOODS LIMITED

One of the most notable single-handed achievements in current Canadian industry is the business built by Robert G. Jackson, M.D., Founder, Owner and President of Dr. Jackson Foods, Ltd. In 1914 Dr. Jackson set out to accomplish two things—educate the nation in its eating habits and build a Canadian enterprise. He has done both.

He is in his seventy-eighth year, yet travels about 15,000 miles a year lecturing day and night. He has a reputation of working fifteen hours a day at his business of shipping foodstuffs to ten countries. During this year the business made necessary a 100% increase in factory space.

Advertising of this company appears in—

Maclean's
Canada's National Magazine

◆

Company Earnings Reports

Consold. Oka Sand

Consolidated Oka Sand and ravel Co. shows a net loss from perations in 1935 totalling $50,670, s against $66,649 in 1934. After providing for all charges, the deficit for he past year was $93,511. The tonage output of sand for 1935 was igher than 1934, while sale price as also higher. Operation of the ompany's fleet of tugs and scows ell short of earnings reported in 934.

The only change of interest in the alance sheet is a reduction of $40,-90 in the fixed asset account, due o the voluntary cancellation of a roperty lease in Montreal, resultg in the demolishment of building nd plant. The amount of bond interest due and unpaid at the end of st year was $159,921, which sum is ncluded among the current liabilies.

Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
et loss for year	50,670	66,649
dd: Plant w/o	40,890	......
Lawsuits	2,095	......
ess: Profit on bonds	144	......
eficit for year	93,511	66,649
revious deficit	†206,630	†134,663
eficit forward	300,141	206,586

†Adjusted.

Working Capital

	1935 $	1934 $
urrent assets	67,110	61,096
urrent liabilities	210,048	158,368
orking capital	*142,938	*97,272

*Deficit.

Tip Top Tailors

Net profits of Tip Top Tailors Ltd. n 1935 were equivalent to almost 10 a share on the 12,829 preferred hares outstanding at the end of the ear, compared with $8.76 per share n 1934. On the common, earnings fter full preference dividends mounted to almost 30 cents a share, nd the initial dividend of 25 cents share was paid.

Volume increased substantially, he annual report states, but profits ose less sharply because of the narow profit margin prevailing in the ndustry.

Redemption of 512 preferred hares was made by an appropriaon from earned surplus. Par value the redeemed shares was added capital surplus. Total redemption now 2,171 preferred shares.

The balance sheet shows working pital increased. Addition of $124,-4 to depreciation reserve brings et balance sheet value of fixed asts down to $1,429,319 from $1,513,-6 in 1934, despite new investments plant.

Cons. Income and Surplus Account
Years Ended

	Dec. 28 1935 $	Dec. 29 1934 $
et earn. from oper.*	322,924	258,297
ess: Depreciation	124,624	130,980
Int. on mortgage	......	420
Income tax reserve	23,000	10,000
Remun. to officers and legal fees	47,198	......
et profits	128,102	116,897
ess appropriations:		
Pref. dividends	92,491	93,387
Pref. arrears	......	23,347
Common divd.	30,000	......
urplus for year	5,611	163
dd: Prev. surplus	985,360	918,803
Rec'd. on ins. policy over cash surr. val. carried on books..	......	79,367
Bal. of provn. in prior yrs. to reduce inv. to market val.	......	8,534
ess: Applied in red. of pfd.	49,738	......
Addit. deprec. for prior years	......	21,507
alance carried for'd..	941,233	985,360

*Profit from operations and income from nvestments after charging all expenses of anufacturing, distribution and manageent. In 1935, income from investments mounted to $2,451; in 1934, $3,152.

Working Capital

	1935 $	1934 $
urrent assets	1,735,510	1,785,124
urrent liabilities	383,695	484,927
orking capital	1,351,815	1,300,197
atio	4.53—1	3.68—1

Easy Washing Machine

Easy Washing Machine Co. earnngs improved in 1935, net profit for he year amounting to 78 cents a hare on the preferred stock as comared with 38 cents in the nine onths ended Dec. 31, 1934. Earnngs on the common stock were quivalent to two cents a share.

After all charges, net profit for he year amounted to $5,926. Preerred dividends became cumulative s of July 1, 1935, but the accumuated preferred dividend of $2,652, hile more than fully earned, was ot paid as directors felt that it was ssential to conserve working capial.

Working capital shows slight improvement, amounting to $122,783 at he end of 1935.

Income and Surplus Account
Years ended Dec. 31

	1935 $	*1934 $
ross profit	111,672	85,401
ess: Selling & gen. exp.	100,929	80,531
Finan. exps., net	1,426	798
Org. exps. w/o	1,327	900
et earnings	7,990	3,172
ess: Dom. inc. tax prov.	2,064	225
et profit	5,926	2,947
dd: Prev. surplus	2,947	......
urplus forward	8,873	2,947

Working Capital
As at Dec. 31

	1935 $	*1934 $
urrent assets	170,661	161,214
urrent liabilities	47,878	45,874
orking capital	122,783	115,340

*Nine months ended Dec. 31, 1934.

Quinte Milk Products

Although provision for depreciaion was lower, Quinte Milk Products td. had a loss of $99 in 1935 as compared with a profit of $286 in 1934. Depreciation allowance in 1935 was 9,482 as compared with $11,725 in he previous year.

Working Capital
As at Dec. 31

	1935 $	1934 $
urrent assets	32,275	23,592
urrent liabilities	11,129	6,827
orking capital	21,146	16,665

Dominion Stores

Piling depreciation and other harges on top of operating loss, Doinion Stores Ltd. showed a total eficit of $610,342 for 1935.

Earnings in 1934 were only 6 cents share. Losses were larger in the arlier part of 1935, and except for educed seasonal volume in the sumer, steady improvement was exerienced later. In the last four eeks, both meats and groceries ere profitable. Some $126,000 of bnormal expenditures were made r renovation and store closures, etc., and on writing down merchandise.

Morley Smith, retiring president, explains in the report that the balance sheet has been changed by deducting reserves from fixed assets. The result is that both assets and depreciation reserves total less than in 1934. Improvements in operation of stores, and in strengthening staffs, he says, have produced results which are bound to be reflected in improving business.

Abandonment of the plan of employee subscription for shares, to be approved by shareholders, will reduce the capital outstanding to 280,014 shares.

Reduction in working capital, which, however, remains large, is attributable to losses in 1935.

Income and Surplus Account
Year Ended

	Dec. 28 1935 $	Dec. 29 1934 $
Gross sales	17,875,503	18,835,304
Less: cost of sales	18,274,425	18,659,522
Directors' fees	1,260	1,260
Oper. earnings	*400,182	174,522
Interest earned	38,530	43,567
Net earnings	*361,652	218,089
Less: Depreciation	192,282	194,813
Exec. salaries	48,853	......
Legal fees	5,741	......
Prov. mun. taxes	1,814	......
Income tax	......	5,124
Net profit	*610,342	18,152
Dividends	......	338,858
Deficit for year	610,342	320,706
Add: Prev. surplus	749,509	1,077,276
Tax adjustment	......	4,705
Profit on bonds	......	7,750
Less: Tax adjt.	81	......
Loss on bakery s'ld.	......	16,015
Res. against empl. co-op. inv't. plan	21,642	3,500
Surplus fwd.	117,444	749,510

*Loss or deficit.

Working Capital

	Dec. 28 1935 $	Dec. 29 1934 $
Current assets	2,994,184	3,296,635
Current liabilities	950,288	720,255
Working capital	2,043,896	2,576,380

Asset Items

	Dec. 28 1935 $	Dec. 29 1934 $
Cash, loans, inv'ts.	1,034,213	1,186,396
Inventories	1,804,031	1,864,625
Plant, bldgs., net	1,002,880	1,114,707

Detroit Int. Bridge

Higher income and lower operating costs contributed to a slight improvement in operations of Detroit International Bridge Co. in 1935, net loss amounting to $33,654 as against $49,488 in 1934. After depreciation and other write-offs, the deficit for the year was $373,107. The amount provided for these items is not shown.

Tax levies continue to be one of the company's major problems, amounting in 1935 to $183,505. This is equivalent to 73.38 per cent of gross earnings. The company is endeavoring to have assessments adjusted so as to alleviate this burden. Tax arrears now amount to $555,109.

No provision has been made for accrued interest of $6,861,302 on the company's funded debt of $19.9 millions.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Gross inc. from tolls..	247,380	231,896
Less: Oper. & admin. expense	98,848	106,598
Taxes (other than federal)	183,505	175,559
Net oper. loss	34,973	50,261
Add: Other income	1,319	773
Net loss	33,654	49,488
Less: Write-offs▲	339,453	346,598
Net deficit	373,107	396,086
Add: Prev. debit bal..	2,845,748	2,449,662
Less: Allow. for loss‡	1,870	......
Deficit carried forw'd	3,220,725	2,845,748

Note:—No provision has been made for bond and debenture interest since default.

‡On funds in closed banks.

▲This includes depreciation and other write-offs the amount of which is not shown.

Working Capital

	1935 $	1934 $
Current assets	376,010	311,921
Current liabilities	570,211	468,621
Working capital	*194,201	*221,889
Ratio	0.66—1	0.66—1

*Excess of current liabilities over current assets.

Bell Telephone

Bell Telephone Co. of Canada's financial statement for 1935 reveals earnings of $5.76 a share, as against $6.20 a share in 1934. At the same time, the working capital shows a favorable balance of nearly $2.4 millions as against deficit of about $1.2 millions in 1934. The latter improvement was due in part to the liquidation of $1.2 millions in bank loans and the issuance of additional notes and stocks and changes in inventories.

Revenues from all sources amounted to over $36.1 millions as against $36 millions in 1934. The total income available for interest, dividends, etc., was somewhat less, due to an increase in taxes and operating expenses.

The balance sheet shows that during the past year the company sold 5,229 shares of capital stock to employees on the installment plan, while nearly $700,000 of notes were sold to the trustee of pension fund. Materials and supplies of $3.7 millions more than doubled during the year, reflecting a physical inventory which was taken during December, 1935.

Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Gross revenue	36,184,429	36,005,265
Expenses	25,619,062	25,059,418
Net oper. income	10,565,367	10,945,847
Other income	240,752	280,417
Net revenue	10,806,119	11,226,264
Less: Taxes	2,462,600	2,363,700
Interest, etc.	3,868,296	4,060,211
Balance	4,475,222	4,802,353
Less: Dividends	4,661,620	4,635,529
Surplus	†186,398	166,824

†Deficit.

Working Capital

	1935 $	1934 $
Current assets	7,637,696	5,048,328
Current liabilities	5,252,219	6,235,058
Working capital	2,385,477	*1,186,730

*Excess of current liabilities.

Simpsons—Robt. Simpson

Financial statements of Simpsons Ltd., and of the operating company, The Robert Simpson Co., show gross and net profits lower for the year. Both companies earned all dividends paid. No comment is made in the report to shareholders as an explanation of the decline but it is known that it was a rather spotty year for most merchandisers. Business was bad until May. Some later periods such as that immediately preceding Christmas showed excellent results while others fell off.

Working capital of both companies is down. It is pointed out by C. L. Burton, president, that $220,272 bonds of the two companies held for redemption purposes, and formerly shown in the current assets as investments, are now shown as a separate item. Making allowance for that item, there has been a slight increase in the consolidated working capital of Simpsons Ltd.

SIMPSONS, LTD.
Consolidated Income and Surplus Account
Years Ended

	Jan. 8 1936 $	Jan. 2 1935 $
Profit from operation	2,095,062	2,331,894
Add: inc. from invest.	27,953	35,305
Excess of par over cost of bds. red.	27,764	31,794
Less: Directors' fees	10,101	6,258
Net earnings	2,140,678	2,392,735
Less: Int. on 1st mtge. bds. of R. Simpson Co.	67,331	68,562
Divds. on pref. stock of R. Simpson Co.	201,000	201,000
Int. on 1st mtge. coll. trust bonds of Simpsons, Ltd.	602,904	608,667
Tax reserve	169,520	168,000
Prov. for empl. sav. & profit shar. fund	20,351	22,525
Deprec. reserve	597,860	601,058
Disc. on comm. on secs.	15,000	15,000
Net profits	466,712	707,923
Less appropriations: Preference divds.	450,000	225,000
Surplus for year	16,712	482,923
Add: Prev. surplus	1,206,741	725,819
Less: Bal. prior year inc. tax	4,442	......
Bal. carried forward	1,221,011	1,206,742

Working Capital

	Jan. 8 1936 $	Jan. 2 1935 $
Current assets	12,292,423	12,280,118
Current liabilities	3,316,527	3,270,644
Working capital	8,975,896	9,009,474
Ratio	3.70—1	3.75—1

THE ROBERT SIMPSON CO.
Income and Surplus Account

	Jan. 8 1936 $	Jan. 2 1935 $
Oper. earnings†	1,053,941	1,122,652
Less: Bond interest	67,331	68,562
Depreciation	276,461	319,022
Net earnings	710,149	735,068
Less: Res. for taxes	135,625	120,875
Net profits	574,524	614,193
Less: Pref. divids.	201,000	201,000
Common dividends	351,750	343,375
Prov. for empl. sav. & profit shar. fd.	20,351	22,486
Surplus for year	1,423	47,332
Add: Prev. surplus	6,018,968	5,971,636
Bal. carried forward	6,020,391	6,018,968

†Net earnings on merchandise after deducting selling and general expenses, directors' fees and provisions for bad debts.

Working Capital

	Jan. 8 1936 $	Jan. 2 1935 $
Current assets	7,488,137	7,652,024
Current liabilities	2,677,277	2,492,877
Working capital	4,810,860	5,159,147
Ratio	2.79—1	3.07—1

Sussex Ginger Ale

An increase of 10½ per cent in gross sales in 1935 is reflected in the financial statement of Sussex Ginger Ale Ltd., of Sussex, N.B., which shows net profits of $15,167 compared with $7,938 in 1934. Consequent upon the improvement in earnings, the directors declared two dividends of 25 cents a share each on the preferred stock outstanding.

The balance sheet shows assets totalling $408,662 at the end of 1935 as compared with $379,805 at the close of 1934. Net working capital of $90,622 increased $19,000 during the year.

Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Gross trading profit ..	96,828	84,781
Less: Expenses	71,569	63,726
Gross income	25,259	21,055
Add: Misc. income	245	380
Total revenue	25,504	21,435
Less: Deprec., etc.	8,021	9,496
Income tax	2,316	......
Net profit	15,167	11,939
Less: Pfd. divds.	3,750	......
Surplus	11,417	11,939

Acme Glove

Net profits of Acme Glove Works recorded a small increase in 1935 as compared with 1934, and after taking care of dividends on the preferred stock, the balance carried forward at $76,629 was about $3,000 larger than in the previous year.

The working capital position of the company shows a relatively substantial increase, primarily due to an expansion in inventory values from $649,481 to $730,531. The increase is all in raw materials, which the management states could only be replaced at present day prices, at an advance over their book value.

Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Gross profit	191,229	......
Less: Exec. salaries ..	37,500	......
Net revenue	153,729	138,260
Less: Depreciation	28,078	27,133
Taxes	19,703	15,034
Directors' fees	180	320
Net income	105,768	95,773
Less: Pfd. divds.	29,140	21,937
Balance	76,628	73,836
Prev. balance	†71,529	......
Carried forward	148,157	73,836

†Adjusted.

Working Capital

	1935 $	1934 $
Current assets	914,764	837,359
Current liabilities	37,636	42,393
Working capital	877,128	794,966

Ottawa Traction

Ottawa Traction Co., holding company for Ottawa Electric Railway Co., reports practically the same income in 1935 as in 1934. After taking care of ranking charges, the balance was equal to dividends paid out.

The only change of interest in the balance sheet is reduction in funded debt of $2,486,000 to $2,390,500.

Income and Surplus Account

	1935 $	1934 $
Total income	246,558	251,913
General expenses	2,228	2,311
Directors' fees	700	720
Net revenue	243,629	248,882
Bond interest	131,477	136,730
Balance	112,152	112,152
Dividends	112,152	112,152
Surplus	......	......

Canada Bud Breweries

Canada Bud Breweries and its subsidiary, City Club Breweries, had consolidated profits equivalent to 90.7 cents a share in 1935, compared with 67.7 cents a share in 1934. After all charges and payment of 35 cents a share in dividends from 1935 profits, $83,544 was added to earned surplus.

Working capital increased $156,740 in 1935. This improvement was effected partly by the surplus earned, partly by the fact that depreciation charges for 1935 do not represent actual outlays. A contributing factor also was refinancing of a mortgage on City Club Breweries. This matured in 1934, and then appeared as a current liability. This year, only the $5,000 principal payment due in 1936 is a current liability. Bank loan was reduced to $60,071 at the end of 1935, compared with $118,737 in 1934.

Consolidated Income and Surplus Account
Years Ended December 31

	1935 $	1934 $
Net oper. earns.	256,730	185,543
Add: Misc. rev.	3,801	5,369
Dividends rec.	41	30
Less: Directors' fees ..	4,200	8,850
President's salary ..	4,500	......
Executive salaries ..	15,500	......
Legal fees	195	......
Total earnings	236,177	182,092
Less: Depreciation	65,878	51,346
Int. & exchange	11,155	12,099
Res. for inc. tax	23,100	17,000
Net profit	136,044	101,647
Less: Dividends	52,500	22,500
Surplus for year	83,544	79,147
Add: Prev. surplus	208,864	139,700
Sundry adjust.	......	1,748
Less: Inc. tax pr. yr.	9,491	......
Sundry adjustments	1,309	......
Subsid. deficit	......	11,731
Surplus forward	281,608	208,864

Working Capital

	1935 $	1934 $
Current assets	498,454	482,904
Current liabilities	195,269	336,459
Working capital	303,185	146,445
Ratio	2.55—1	1.44—1

Cawthra Apartments

Slight improvement in operations of Cawthra Apartments Ltd. is reflected in the annual report for 1935. With rental income higher than in the previous year, the company reports a small increase in profits. Net profits for the year amounted to $2,012 after all operating expenses, bond interest and accrued interest on five-year notes, but before depreciation charges.

Improvement is also shown in the company's balance sheet position. During the year arrears of taxes were reduced from $14,435 to $9,797 and since the end of 1935 this amount has been further reduced to $5,400. It is expected that tax arrears will be entirely wiped out during 1936.

Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Rental income	43,296	41,813
Less: Oper. & maint. of bldgs.	13,861	14,248
Comm. on rents coll.	2,184	2,083
Munic. taxes	8,801	9,361
Oper. profit	18,450	16,121
Less: Bond & note int.	14,535	14,535
Prov. taxes	567	318
Directors' fees	140	200
Legal & audit fees..	110	115
Trustees' fees	225	372
Int. of taxes	861	......
Net profit	2,012	581
Add: Prev. surplus ..	5,729	5,148
Balance forward	7,741	5,729

Fanny Farmer

Fanny Farmer Candy Shops Inc. had net profits equivalent to $1.28 a share in 1935, compared with $1.06 a share in 1934. Afer payment of dividends of 50 cents a share, $305,000 was added to earned surplus and working capital was increased $311,000. No mention is made in the report of any bonus to shareholders. President Frank P. O'Connor states the management is confident of retaining the high position maintained in the past.

The company's expansion in Michigan is being conducted from a rented factory and negotiations are proceeding for purchase of a property in Minneapolis for some $50,000. There are now over 180 stores in the chain in the eastern and middle western United States, and it is expected that there may be nearly 200 by the end of 1936.

Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Total sales	4,818,396	4,184,555
Add: Inc. from invest.	29,414	30,735
Profit from sale of invest.	687	3,058
Less: Oper. costs	4,108,779	3,594,340
Depreciation	113,640	76,129
Net earnings	626,078	547,879
Less: Tax reserve	126,000	100,000
Management salaries	......	25,000
Loss on sub leases..	......	10,500
Net profit	501,078	412,379
Less appropriations:		
Preference divds. ..	......	21,283
Common divds.	195,239	146,443
Cost of comm. shs. purch. & regtd. in name of corp.	367	20
Surplus for year	305,472	244,633
Add: Prev. surplus	568,649	890,885
Less: Cost of pref. shs. purch. for redemp..	......	566,649
Balance forward	874,121	568,649

Working Capital

	1935 $	1934 $
Current assets	1,251,015	937,459
Current liabilities	150,569	147,931
Working capital	1,100,446	789,528
Ratio	8.34—1	6.34—1

Detroit and Canada Tunnel

Detroit and Canada Tunnel Co. shows a considerable increase in gross and net revenues for 1935, as compared with 1934. After allowing for debt amortization and depreciation, however, there is an addition to the deficit. No interest is being paid on the $8.5 millions of six per cent first mortgage bonds.

The balance sheet shows current assets of $716,212, consisting almost entirely of cash. Current liabilities include $876,810 of pre-receivership debts one of which is $806,915 for unpaid bond interest. The accounts payable include $339,385 for four years' domestic property taxes. The receiver is claiming a reduction in taxes in Detroit.

Consolidated Income Account
Years Ended Dec. 31

	1935 $	1934 $
Operating revenue:		
Tolls	401,524	320,886
Bus pass. & coach hire	202,241	188,073
	603,765	508,959
Add: Non-oper. rev...	5,628	5,297
Gross earnings	609,393	514,256
Less oper. exp. & taxes:		
Operation	201,828	190,153
Maintenance	56,890	51,589
Taxes	160,430	165,226
Prov. for deprec. ..	239,543	239,571
	*49,299	*132,283
Less: Adj. of liab. on unred. tickets	1,300	2,932
	*50,599	*135,215
Less: Bond interest ..	......	5,600
	*50,599	*140,815
Less: Amort. of debt disct. and expenses.	108,838	111,181
	*159,437	*251,996
Less:		
Amort. of land, etc.	225,122	226,288
Loss on equip.	585	......
Net loss	385,144	478,284
Add: Prev. deficit	3,637,254	3,158,970
Less: Adj. of acc. int.	20,348	......
Deficit carried for'd..	4,002,050	3,637,254

*Deficit.

Working Capital

	1935 $	1934 $
Current assets	716,212	431,626
Current liabs.§	1,239,195	1,231,677
Working capital	†522,983	†800,051
Ratio	0.58—1	0.35—1

†Excess of current liabilities over current assets. §Including liabilities incurred by receiver.

Massey-Harris Co.

Net loss of Massey-Harris Co. in the year ended November 30, 1935, was $1.4 millions as compared with $2.2 millions in the preceding year. Before depreciation, exchange losses, bad debts and other charges the profits more than covered bond and other interest The company also found it unnecessary to make further contingency provision against receivables and reduction of property value as in the preceding year when $2.5 millions was needed for this purpose.

Working capital remained strong. Cash advanced half a million dollars to $1.3 millions. Holdings of market securities advanced from $442,084 to $491,067. Inventories were up from $8.8 to $8.9 millions while receivables dropped from $11.6 to $10.1 millions.

Reserve for foreign exchange and contingencies was, at rates prevailing on November 30, 1935, states the president, T. A. Russell, "sufficient to cover any exchange losses which may occur in transmitting of remittable assets to Canada from foreign countries."

Consol. Income and Surplus Account
Years Ended November 30

	1935 $	1934 $
Income from oper.	849,762	62,187
Add: Inc. on invests.	137,046	122,949
Total income	986,808	185,136
Less: Directors' fees ..	4,060	......
Remun. to officers..	‡65,973	......
Legal fees	1,871	......
Depreciation	419,080	493,511
Int. on borrowings..	69,657	163,074
Bond interest	460,376	464,126
Prov. for inc. taxes (foreign)	46,761	14,600
Prov. for conting. ..	160,000	......
Pension fund	106,211	125,650
Bad & do'tful debts	590,273	713,924
For exch. losses	483,250	414,314
Net loss	1,420,694	2,210,000
Add: Prev. deficit	20,703,020	15,993,020
Addit. conting. prov.:		
Against receivables	......	1,250,000
Reduct. of prop. val.	......	1,250,000
Deficit car. forward ..	22,123,714	20,703,020

‡Remuneration to executive officers including directors holding salaried employment.

Working Capital

	1935 $	1934 $
Current assets	20,754,739	21,539,626
Current liabilities	2,133,288	1,720,741
Working capital	18,621,451	19,818,885
Ratio	9.73—1	12.47—1

Riverside Silk

Riverside Silk Mills Ltd of Galt reports the highest profit since 1929 for the year ended Dec. 31,1935. Net profit for the year was slightly higher than in 1934, amounting to $2,66 a share on the Class A stock. Earnings in 1934 were equivalent to $2.50 a share.

Improvement is shown in the company's balance sheet position, working capital amounting to $276,090 as compared with $247,250 in the previous year. Cash on hand increased from $14,422 to $21,102. Dominion of Canada bonds are shown at a cost of $54,148. Accounts receivable are $21,509 lower at $139,544. Inventories are shown at $104,017, an increase of $23,385.

Income and Surplus Account
Years ended Dec. 31

	1935 $	1934 $
Net earnings	76,949	71,806
Add: Profit on sale of bonds	2,963	3,238
Net profit	79,912	75,044
Less appropriations: Class A dividends ..	60,000	60,000
Surplus for year	19,912	15,044
Add: Previous surp...	497,022	481,978
Less: Addit inc. tax ..	840	......
Surp. carried forward	516,094	497,022

Applicable to years 1933 and 1934.

Working Capital
As at December 31

	1935 $	1934 $
Current assets	323,993	309,382
Current liabilities	47,903	62,132
Working capital	276,090	247,250

Twin City Transit

Twin City Rapid Transit Co. of Minneapolis and St. Paul reports sharply higher profits in 1935 as a result of an increase in passenger revenue and a reduction in operating costs. Net profit for the year amounted to $472,076 as compared with $241,724 in 1934

The upward trend in the number of revenue passengers, which was evident in 1934, continues. The increase in 1935 was due to increased relief work. Directors feel that at least another year's experience is necessary to justify confidence in a continuation of this trend. From 1920 to 1933 there was a constant downward trend in the number of passengers carried.

During the year working capital was reduced by over $1.2 millions to $512,844 as a result of redemption of a portion of the company's funded debt. Funded debt was reduced during the year by over $1 million to $21,359,409

Consol. Income & Surplus Account
Years ended Dec. 31

	1935 $	1934 $
Inc. from transport. ..	8,596,193	8,447,459
Add: other inc. from oper.	40,714	41,954
Gross inc. from oper.	8,636,907	8,489,413
Less operating exp.:		
Way & structures ...	926,515	894,686
Equipment	677,453	703,691
Power	817,832	785,732
Cond. transportation	2,284,011	2,249,061
Traffic	43,531	45,719
General and misc. ..	728,113	856,227
Trans. for invest., cr.	—14,566	—12,182
Motor bus expense	606,657	610,828
Taxes assign. to oper.	901,311	898,332
Total oper. exp. & taxes §	6,970,857	7,032,091
Net earn. from oper.	1,666,050	1,457,322
Add: Other income:		
From securities	26,820	30,829
Inc. from trust fund	48,329	50,797
Miscellaneous	2,952	1,611
Total net earnings ...	1,744,151	1,540,559
Less: Rent for leased roads	183	804
Int. on funded debt	1,144,340	1,166,254
Int. on sec. divd. notes	44,079	46,691
Misc. debts	12,717	13,592
Net loss on misc. prop.	926	1,112
Amort. of disc. & exp. on fd. debt†	69,830	70,382
Surplus for year	472,076	241,724
Add: Prev. surplus	2,108,606	1,891,762
Profit on co.'s bds. reacquired	281,839	......
Less: Adjustments	1,384	1,765
Loss on sec. sold	4,000	8,502
Adjust. to cost of Cable Cons.	......	14,613
Unamort. disc. & exps. on bonds reacquired	47,624	......
Income taxes on secs. reacquired	39,589	......
Second mtge. w/o	318,000	......
Bal. carried forward	2,445,054	2,108,606

†This item will appear each year until 1952. It applies to the discount and expense of the $18,000,000 bond issue negotiated in 1927 to refund the underlying bonds.

§Depreciation is accrued monthly and included in the operating expenses of the subsidiary companies. The annual depreciation accrued in 1934 was $1,082,250.

Working Capital
As at December 31

	1935 $	1934 $
Current assets	1,615,472	2,836,782
Current liabilities	1,102,528	1,045,828
Working capital	512,944	1,790,954

Standard Clay

Standard Clay Products financial statement for 1935 shows an operating profit of $29,712, as against an operating loss of $5,014 in 1914. Revenue was sufficient to cover bond interest but was $9,370 short of covering depreciation During the year sales were 23 per cent larger than in 1934, but the volume was such as to make profitable plant operations difficult.

There are no important changes in the balance sheet. The sinking fund was suspended last November so that funded debt remains unchanged. The company has no bank loans and working capital has been maintained.

Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Operating profit	29,712	*5,014
Bond interest	27,474	27,474
Depreciation	11,609	9,724
Net loss	9,370	42,212
Previous balance	10,143	52,355
Balance forward	772	10,143

Working Capital

	1935 $	1934 $
Current assets	265,535	273,436
Current liabilities	8,612	8,553
Working capital	256,923	264,883

Penmans

Further strengthening of the balance sheet, but a moderate decline in earnings, is reported by Penmans Ltd. for 1935. Gross revenue totalled $649,827 and net revenue $613,214. The latter is comparable to $637,406 in 1934. The amount available for dividends in 1935 was somewhat larger than in the previous year.

Working capital increased, despite a reduction in accounts receivable and a shrinkage in inventories. Cash on hand is nearly twice as great as that reported at the end of 1934. During the year the funded debt was reduced $28,500 to $1,776,500.

Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Gross profit	649,827	......
Less: Legal fees	2,113	......
Exec. salaries	34,500	......
Net revenue	613,214	637,406
Less: Depreciation ...	140,000	140,000
Bond interest	110,000	110,000
Bad debt prov.	4,798	49,765
Income tax	50,000	50,000
Directors' fees	13,050	13,050
Net earnings	295,366	274,591
Less: Preferred divds.	64,500	64,500
Common divds.	193,554	193,554
Surplus	37,312	16,537
Previous surplus	1,429,243	1,412,706
Carried forward	1,466,555	1,429,243

Working Capital

	1935 $	1934 $
Current assets	2,641,387	2,507,887
Current liabilities	166,285	156,199
Working capital	2,475,102	2,351,688

Rolland Paper

Net revenue of Rolland Paper Co. shows a moderate increase during 1935 as compared with 1934. After deducting all senior charges the amount available for dividends was $134,313, as against $109,094 in the previous twelve months.

Balance sheet figures show comparatively slight change. Funded debt was reduced by $68,000 during the year, leaving $2,181,000 outstanding. Net working capital shows a further small increase.

Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Net oper. profit	*360,244	*330,467
Investment income ..	19,425	22,327
Miscel. income	2,793	1,347
Net revenue	382,462	354,141
Bond interest	123,544	125,847
Depreciation	100,000	100,000
Income taxes	23,912	18,000
Directors' fees	693	1,200
Net profit	134,313	109,094
Preferred dividends ..	90,000	90,000
Surplus for year	44,313	19,094
Previous surplus	332,319	315,445
	376,632	334,539
Add: Profit on bonds redeemed	5,069	6,904
Tfd. from cont. res.	......	4,500
	381,701	345,943
Less: Tfd. to cont. res.	5,000	......
Inc. tax, prior year..	4,267	12,624
W/o contracts receivable	875	1,000
Surplus forward	371,559	332,319

*Prior deductions include executive salaries and fees ($62,117 in 1935).

Working Capital

	1935 $	1934 $
Current assets	1,197,067	1,167,131
Current liabilities	159,069	146,197
Working capital	1,037,998	1,020,934

TOOLE, PEET & CO.
LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY CANADA

A. J. PATTISON Jr. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

London-Canadian

London Canadian Investment Corp.'s financial statement for 1935 shows a general all-around improvement. Revenue for the year at $269,581 compared with $292,403 for 1934 and total expenditures of $232,331 as against $261,420.

Valuation of securities owned by the corporation at the end of 1935 was $6.2 millions compared with a valuation of $5.3 millions at the end of 1934. The equity back of the preferred stock increased during the year from $15.95 to $43.49 a share.

Income and Surplus Account

	1935 $	1934 $
Revenue	269,581	292,404
Less: Debent. interest	173,677	200,673
Exchange	1,355	1,529
Interest on loans ...	17,405	24,424
Management	19,042	18,455
Directors' fees	7,000	......
Misc. expense	2,070	......
Transfer expenses..	1,534	1,655
Taxes	652	649
Income tax	9,596	7,904
Legal fees, etc.	......	1,922
Net profit	37,250	30,984
Add: Securities for arrears of int. sold..	70,721	......
Previous surplus ...	244,135	213,151
Carried forward	352,106	244,135

Industrial Acceptance

Volume of business handled by Industrial Acceptance Corp. in 1935 amounted to $15.5 millions, an increase of 26.4 per cent over the previous year. As a result of this increase, receivables outstanding at the beginning of 1936 were nearly $7.1 millions, as against $5.5 millions last year.

Earnings in 1935 were in even greater ratio than the volume and, after all charges, there remained a net profit for the year of $127,000, equivalent to $2.12 on the 60,000 Class A shares outstanding. This compares with 75 cents a share in 1934:

Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Gross income	1,009,131	733,238
Less: Expenses	381,926	361,339
Interest on loans ...	245,670	167,974
Insurance prem.	153,270	106,145
Depreciation	13,910	12,070
Exec. salaries	30,931	......
Legal fees	3,765	......
Directors' fees	4,980	2,195
Net operating profit ..	175,078	83,605
Add: Sub. dividend ..	18,000	17,000
Total income	193,078	100,605
Less: Debenture int. ..	53,472	55,196
Income tax	12,270	......
Balance	127,336	45,409
Previous balance	28,990	5,708
Disc. on debent. red...	1,144	5,873
Less: Credit reserve ..	50,000	30,000
Balance forward	105,469	26,990

McD. and C. Holdings

McD. & C. Holdings Ltd. report a gross profit of $50,686 for 1935 as compared with $55,713 in the previous year. Net operating revenue totalled $14,884, as against $19,888 in the previous year, all of which was credited to reserve account.

The amount brought forward to the credit of the reserve account was $1,514,814. There was also a profit of $30,907 on realization of securities. Deductions included $655,129 of debtors' accounts written off as non-collectible, and $94,844 additional claims admitted less claims withdrawn or reduced. After all deductions the amount carried forward in reserve account was $805,871.

Balance sheet as at December 31, 1935, showed total assets of $4.8 millions as against $5.6 millions on the like date in 1934. Included in the assets were securities valued at $666,725 compared with $779,290 in 1934.

The nominal value of certificates of indebtedness issued to the end of 1935 exceeds $4.8 millions, due to the issuance of a certificate for $93,819 to the Dominion Government as a result of its claim for unpaid taxes.

Success Story

Seven chapters from the 1935 record of Investors Syndicate:

1 CANADIAN INVESTMENTS increased to $3,436,469.38, a gain of $814,171.95 over 1934.

2 TOTAL RESOURCES increased to $72,911,698.58—an increase of $11,006,531.36 during 1935.

3 CAPITAL, SURPLUS, RESERVES, increased 17% to $8,142,786.13, as of December 31, 1935.

4 CASH, BONDS, SECURITIES, increased to $28,790,430.01, a gain of $4,763,654.69 during 1935.

5 MORTGAGE INVESTMENTS increased $3,493,897.02, or 15%, as compared with 1934.

6 INVESTMENT CONTRACT collections increased 31% in 1935, as compared with 1934.

7 CASH DISBURSEMENTS to contract holders during 1935 totalled $6,909,557.89.

INVESTORS SYNDICATE
Established 1894
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Balance Sheet as at December 31st, 1935

ASSETS		LIABILITIES	
Office Premises	$ 60,000.00	Total Provision for Unpaid Claims	$ 4,505.07
Real Estate held for sale	9,465.54	Reserve of Unearned Premiums	206,721.18
First Mortgages	769,050.34	Reserve under Unlicensed Reinsurance	1,811.31
Loans secured by stocks	2,000.00	Taxes due and accrued	7,917.41
Book Value of Bonds and Debentures		Investment Reserve	135,000.00
Not in default	954,360.72	Agents' Credit Balances	42.06
In default	173,008.80	Reinsurance Companies' Credit Balances	17.32
Book Value of Stocks owned	69,889.33		356,014.35
Cash on hand and in Bank	41,971.22	Surplus for protection of policyholders	1,789,505.23
Interest and Rents due and accrued	22,556.72		
Agents' Balances written on or after 1st October, 1935	35,785.81		
Due from Reinsurance Companies (Received business)	7,431.10		
	$2,145,519.58		$2,145,519.58

Government Deposit—$500,000.00

THE ECONOMICAL MUTUAL
FIRE INSURANCE COMPANY
Geo. C. H. Lang, President F. W. Snyder, Managing Director
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Week In Mining

Just a Coincidence?

• • • •

Flurry in Copper

Most of the news affecting Canada's mining industry continued to be good during the week, with the result that markets across the Dominion remained in the buoyant mood prevailing now for some four months.

Even supposing it is only a coincidence, and it may be a great deal more, the fact that the mining market turned about the time that political candidates starting expressing sympathy with the tax problem, is worthy of note. Since the federal election, four months ago, there have been growing indications that relief from the tax burden was in sight: As these indications grew, the prices of mining shares rose from the unwarranted lows formerly prevailing.

Sympathetic Minister

IN AN interview with Hon. T. A. Crerar, minister of mines, published in The Financial Post soon after he attained office, it was stated that this member of the cabinet appeared sincerely sympathetic with the case mining has against too-onerous taxation. Since that time, Mr. Crerar's actions have revealed the truth of this statement.

Speaking recently to members of the Montreal Branch of the Canadian Institute of Mining & Metallurgy, at a dinner tendered him by this organization, Mr. Crerar stated: "Canada should aim to get a reasonable basis of taxation, and once there, it should give some assurance of stability to the mining industry."

The minister cited the strides made by Russia in the past few years in the field of gold mining. Last year Russia was second in gold mining. By 1937 it hopes to be the world's greatest gold producer, and bids fair to attain this goal. This record has been achieved only because the Soviet government had made the people of Russia mining conscious, the minister thought.

* * *

Montreal and Mining

IT IS rather striking for a resident of another city to find how "mining conscious" Montreal has become in the past few years.

The head of a Montreal brokerage firm, noted for its conservatism, and leaning toward gilt-edged stocks, speaking to a representative of The Financial Post, put the new feeling into words.

"A few years ago," he stated, "if one of my clients had suggested buying some mining stocks, I would have raised my eyebrows in horror, and told him a few things. Today, my firm is actually sponsoring two mining issues, and I don't feel that we are giving our clients poor advice."

* * *

Copper Flurry

WORLD copper markets experienced quite a flurry last week, as the price for domestic copper in United States rose to somewhere between 9.25 and 9.50 cents per pound. As a result of this rise in the U. S. price, copper prices in other parts of the world rose, and at one time were actually over the 9 cent per pound price.

Despite this flurry, and it was little more, the prospect of a copper price which would have any material effect on Canadian mining appears very obscured. There is plenty of copper in the world, despite inroads made last year into surplus stocks. Holders of these surplus stocks will probably be very quick to take advantage of any price rise, with a general lowering effect resulting.

The way out for copper, it seems, is to be a long slow crawl, and will not be achieved overnight.

Incidentally, there is good news for mining in the upholding of the TVA by the Supreme Court of U.S. A provision for government expenditure of almost $1 billion for rural electrification is contained in the Norris bill, at present before the American Solons. It is believed that the support given TVA will ease the path for this bill through the government, and thereby supply U.S. domestic copper with a very desirable customer.

* * *

Binding East to West

A NEW approach to the question of the place of mining in the Canadian scheme of things was taken by Dr. Charles Camsell, deputy minister of mines, in the third of a series on the industry over the national network of the Canadian Radio Commission last week.

Dr. Camsell, who is supposed to know more about the face of Canada than any man living, laid stress on the part the industry is playing in binding, more closely than ever, the east with the west.

Dr. Camsell pointed out that a narrow belt of territory between Winnipeg and Quebec had an annual worth of over $100 millions.

The enormous purchasing power released from this closely spaced belt spread both east and west, to the farmers of the prairies, and the manufacturers of the east.

"And so the vision of the Fathers of Confederation, who dreamed of a unified nation bound together east and west by the ties of a common interest and common understanding are being fulfilled by the discovery and development of mineral resources in a region that up to recent years was nothing more than a serious barrier to unity," said Dr. Camsell.

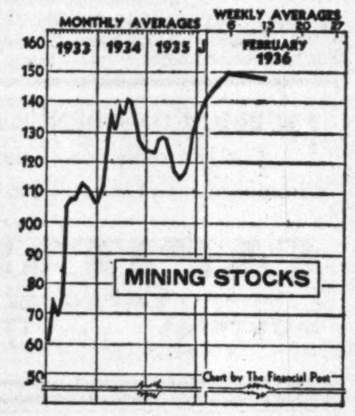
* * *

Index to Mining Stocks

THE price index of twenty-three mining issues reached in the first week of February its highest level since 1927, but sustained a moderate loss for the week of February 13. The index was 148.6 as compared with 150.3 for the preceding week. The index for the corresponding week in 1935 was 123.1.

Lower prices prevailed in the gold group, consequently the index declined from 131.1 for the week of February 6, to 129.7 for the week of February 13. The comparative index for the week of February 14 last year was 122.3.

A steady advance of seven weeks was interrupted when declining base metal prices caused the index for this group to drop from 229.2 for the week of February 6 to 226.3 for the following week. The index was 129.9 for the same week in 1935.



Wilport Starts Drilling Its Beardmore Property

From Our Own Correspondent

SUDBURY.—Diamond drilling has started on the property of Wilport Gold Mines, to the east of the Sand River and Leitch Gold Mines in the Beardmore area, according to word from the field.

Surface work has been proceeding on the Wilport with encouraging results, under the supervision of J. Russell Cryderman, whose party was responsible for the discoveries in this area. More quartz has been disclosed in the trenching on the north No. 3 zone, and a considerable length has been exposed ranging from two to eight ft. in width, values up to $7.70 in gold being returned.

About 80 per cent of the vein is quartz, the remaining width showing siliceous stringers in schisted conditions, the mineralization of which consists of sparse amounts of iron pyrites, chalcopyrite and arsenopyrite.

Exposure is considered to be an extension of the main No. 3 zone.

Sladen Malartic to Apply For Listing at Montreal

Officials of Sladen Malartic Mines state that application will shortly be made to list the stock on the Montreal curb market and on the mining section of the Toronto Stock Exchange.

Drilling results at the property have, officials report, indicated a "large tonnage of ore." Work on a three-compartment shaft has been started, the site being about 200 ft. south of the ore zone. During recent sinking operations, mineralized graywacke and quartz were found.

The road from the shaft to the camp has been completed and will connect with the main trans-Canada highway. Over 25 men are working on the property constructing bunk houses, etc., and as soon as accommodation is available for crews, diamond drilling will be resumed. Contracts for shipping over 300 tons of material from Amos to the property have been awarded.

Part of the Sladen property has been cleared for a flying field and this is now the centre of activity.

Suggests Cyanide Unit For Gold Mountain Mill

Recommendation that the proposed mill at Gold Mountain Mines Ltd., with property near Hedley, B.C., include a cyanidation plant and thus eliminate the shipping of concentrates, has been made to directors of the company by W. J. Asselstine, consulting metallurgist. A committee of the directors is examining plans for the mill and the proposed mill site.

In the meantime, development is under way, principal work being done in sinking on the ore from No. 1 tunnel. The winze is down to 40 ft., and a short cross-cut at this level disclosed ore with value satisfactory to the management.

Gold Mountain Mines have an authorized capitalization of two million shares, par value 50 cents, of which 1,250,000 have been issued. A total of 300,000 of the issued stock is in escrow.

It is understood that options have been granted to Vancouver financiers which should net the company sufficient funds to pay for the mill.

East Malartic Mines Stock is Oversubscribed

From Our Own Correspondent

MONTREAL.—Nesbitt, Thomson & Co. announce that a private offering of 965,000 shares of East Malartic Mines was over-subscribed.

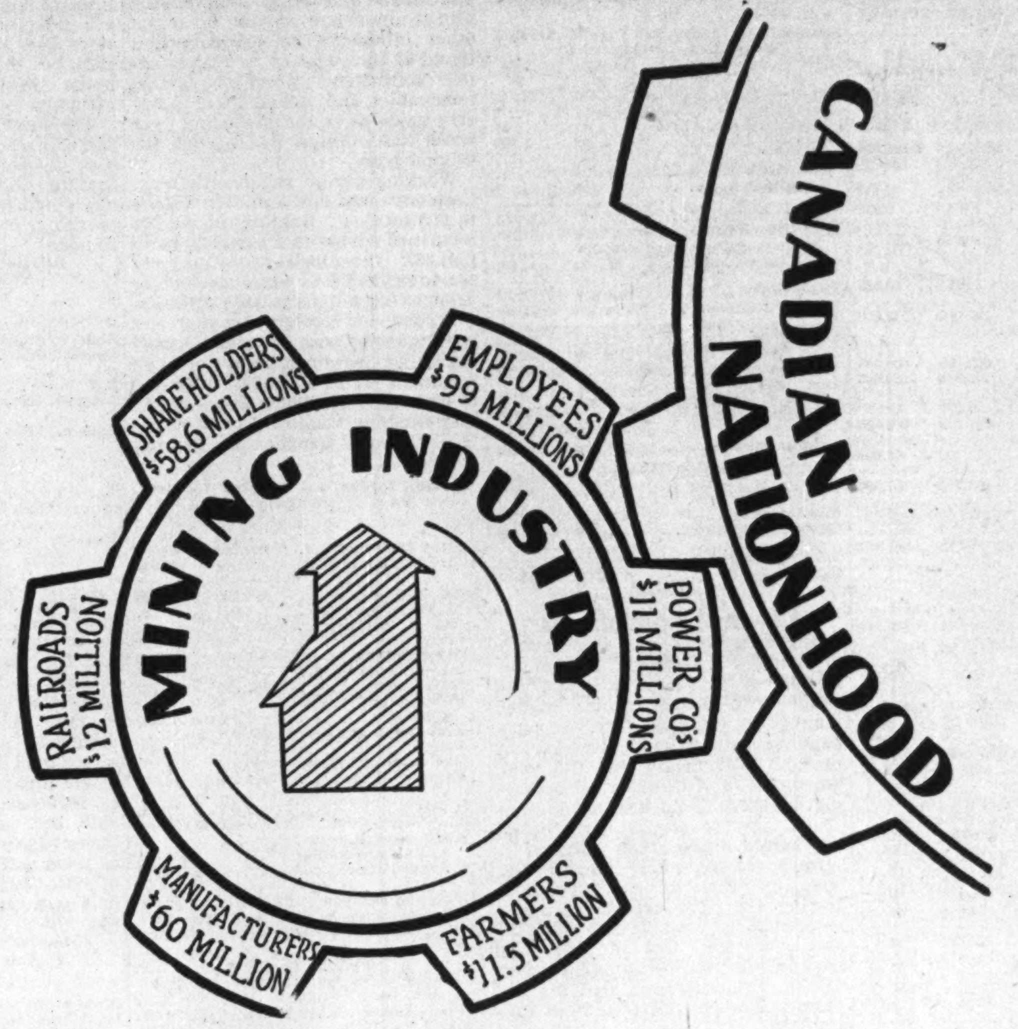
East Malartic Mine is located in Northern Quebec. The company owns about 45 contiguous claims with an area of approximately 3,300 acres, a part of which joins the property of Canadian Malartic Gold Mine on the latter's east boundary. Considerable development work has been done and diamond drilling has indicated large tonnage possibilities.

Canadian Kirkland Lets Diamond Drill Contract

Canadian Kirkland Mines has let a contract to Oscar R. Smith Diamond Drilling Co., for drilling, to be commenced immediately from the surface near No. 2 shaft.

Officials report that a strong gold bearing vein associated with a tongue of porphyry was uncovered at surface in former work.

Metal:—Mighty Motive Power



Mining Now Takes Leading Part in Keeping the Wheels of the Nation Spinning

THE various ways in which Canada and Canadians benefit from the increasingly important mining industry have been depicted on these pages in previous weeks.

Each one of these ways represents a cog in a wheel, a wheel whose force is felt more and more, each year, by the broad wheel of Canada's progress.

Employees, power companies, farmers, manufacturers, railroads and shareholders, all receive vast sums every year from this industry. These sums do not stop when they reach these groups. They keep circulating.

By no means can the whole story be told in dollars and cents. As has been shown in previous articles, the mining industry is a builder of communities, a creator of new frontiers, and an export trade which, in value, exceeded last year that of Canada's agricultural products.

There is also the psychological aspect. Apart from the foreign capital actually invested in Canadian mining, nobody can estimate what advertising value the industry has abroad, thereby benefitting other Canadian industries.

As an employer of labor, the mining industry has taken thousands from the relief lists during depression, thus strengthening the country's morale, to say nothing of lightening relief costs. The percentage of engineering graduates receiving employment is far higher than that of any other faculty in Canadian universities.

All these are matters of record, and have to do with the present. Yet perhaps the most significant aspect of the Canadian mining industry lies in its potentialities, which will become the "matter of record" of tomorrow.

This is the last of a series of articles on the significance of mining in Canada. They have been prepared by the Editors of The Financial Post as a timely news feature.

Anglo-Huron. W. C. Pitfield At Gold Lake

Buy Hopkins Option on Property at Rice Lake

START UNDERGROUND

The property of Gold Lake Mines, in the Rice Lake area of Manitoba, will be developed under a joint financial arrangement reached between Anglo-Huronian Ltd. of Toronto, and W. C. Pitfield & Co. of Montreal, The Financial Post is told by T. C. Anderson, president of Gold Lake.

Anglo-Huronian and W. C. Pitfield & Co. have purchased, for a consideration, the options previously granted to Percy Hopkins, consulting geologist, and have firmly underwritten $40,000 to provide funds for the development recommended by engineers. The development will be in charge of W. H. Emans, mining engineer.

Under the Hopkins option, a considerable amount of drilling was done, in conjunction with surface work. This work justifies underground development, officials believe. Necessary equipment is already on the property, and electric power is available to start work at once.

It is expected that two levels will be opened up by mid-summer, and if the result of this work substantiates surface and drilling developments, the two financing companies have arranged to supply funds for bringing the property into production.

In a recent issue The Post erred in stating that the management of Gold Lake was virtually the same as that of Vanson Manitoba. The only connection which Gold Lake has with Vanson was that the mining plant and equipment of the latter company were purchased for a stock consideration.

Vanson Turns in Charter

From Our Own Correspondent

WINNIPEG.—At a special general meeting of Vanson Gold Mines it was decided to surrender the charter and distribute its assets. These assets consist of shares of the Vanson Manitoba Gold Mines and distribution is on the basis of 7.1 shares of Vanson Manitoba for each share of Vanson Gold Mines. Shareholders have been notified to send in their certificates to the North Canadian Trust Co., Winnipeg, to be exchanged for certificates of Vanson Manitoba Gold Mines.

Vanson Manitoba Gold Mines was the operating company, but is not now actively engaged in mining. It holds its property under lease but disposed of all mining plant, equipment, power lines, etc. to Gold Lake for 125,000 shares of stock in that company. This stock is held in the Vanson Manitoba Gold Mines treasury with about $7,000 in cash. Work on the company's property, which lies two miles north of San Antonio, was disappointing.

Premier to Work Norlake Holdings

Interest in the Chibougamau field of Quebec was heightened last week by the announcement that Premier Gold Mining Co., B. C. producer and affiliate of American Smelting & Refining Co., has signed an agreement with Norlake Mining Corp. whereby Premier will carry out preliminary drilling and development work on Norlake's southern group in Chibougamau.

These holdings adjoin those on which Consolidated Mining & Smelting Co. has been getting apparently satisfactory results.

If this preliminary work proves promising, Premier will advance further funds and direct development. The next step would be the formation of a new company, in which Premier would retain a 50.2 per cent interest, and Norlake a 49.8 per cent interest.

SHAFT AT BIG MASTER INTERSECTS NEW ORE

May Mean Widening Out of Body Shown by Drilling

Ore has been encountered in the shaft at a depth of 351 ft. at Big Master Consolidated Gold Mines in the Kenora district of Ontario, E. A. Boadway, resident engineer reports.

Mr. Boadway's report states that at a depth of 86 ft. in the shaft below the third level two three-inch quartz stringers separated by four feet of slightly mineralized schist are exposed at the bottom of the shaft. Considerable fine visible gold is reported in the footwall stringer. At a depth of 93 ft. in the shaft below the third level, the quartz porphyry dyke that separates the hanging-wall and footwall veins in the stope is in the centre of the shaft at the 350-ft. level.

It is considered that the finding of this ore in the shaft is of particular importance inasmuch as on the basis of the ore showing from the upper levels, it was anticipated that approximately 150 ft. of drifting and crosscuting would be necessary to reach the ore shoot. Accordingly the presence of ore in a shaft would indicate either a lengthening of the known ore shoot by 150 ft. or the presence of a new ore shoot not shown on the upper levels.

A station will be cut at the 350-ft. level and drifting proceeded with on that level. It is the company's intention to carry the shaft down to the 500-ft. level which will be the main working level.

The main operations at Big Master Consolidated are presently being confined to the eight northerly claims, under a working option granted to Murwood Gold Mines, and work is proceeding under the direction of E. A. Boadway, a resident engineer in association with Messrs. Harry Kee and Reginald Hore.

GOAL OF 80 WELLS PRODUCING BY MAY SET BY TEXAS-CAN.

Present Rated Output 871,560 bbls. Per Day

Texas-Canadian Oil Corp. has now 64 wells in production, with an aggregate daily rated production of 871,560 bbls. per day, shareholders are told in a recently issued progress report.

At the end of the company's fiscal year, on April 30, it is expected that 80 wells will be in production.

The present proration laws allow for 2.85 per cent of the rated hourly production. The former proration was 2.7 per cent. On this basis, and at the present price of oil at $1.15 per barrel, officials estimate that the eighty wells will gross about $570,000 next year, or an estimated net income, after all costs, depreciation, depletion, and taxes, of about $250,000.

Thirty New Wells

The balance sheet as at April 30 next will show net liabilities of about $250,000 largely owing to the Continental Supply Co., maturing in monthly payments throughout the next fiscal year. This is an increase of $193,000 in net liabilities over the figures shown in the last annual report. Against this increase, the company will have thirty additional wells in production. No statement is contained in the report as to current assets to appear in the balance sheet.

Set Base Metals Profit $38,206 Before Reserves

Estimated profit of Base Metals Mining Corp., subsidiary of Mining Corp., for the year ended Dec. 31, 1935, was $38,206 before any reserve for depreciation, depletion, taxes, or deferred development, the company reports. As reported at the time, milling operations were suspended Dec. 14, when an intensive exploration campaign was commenced under the direction of a competent consulting geologist, understood to be Basil Prescott.

Profit and loss statement, as estimated for the year, is as follows:

Estimated Profit and Loss Statement
(Year Ended Dec. 31, 1935)

	$
Value of prod. less freight, etc.	222,488
Costs*	184,282
Est. profit†	38,206

*Includes development, mining, milling, administration and general expense.

†Before depreciation, depletion, reserve for taxes, and deferred development.

1935 Recovery $615,275 At Cariboo Gold Quartz

The mill at Cariboo Gold Quartz Mining Co., in the Cariboo district of British Columbia handled a total of 43,417 tons of ore in the 12 months of 1935 from which there was a total of 17,458 ounces of gold having a recovery of 17,458 ounces of gold having a total value of $615,275.

The peak month from the point of view of gold production was in November when a total of $67,816 was recovered. In December, gold recovery totalled $64,997.

These figures indicate a recovery per ton of approximately $14.17 or 0.4 ounces of gold per ton.

THOMPSON-CAD. REPORTS FINANCE FOR MILL CHANGE

Walz Sees 30,000 Tons Above 300-ft. Level

G. F. Racine, sec.-treas. of Thompson-Cadillac Mining Corp. announces that financing arrangements have been completed with "prominent financial houses" to provide sufficient funds to install flotation machines, amalgamation devices and the rearrangement of that part of the mill. The General Engineering Co., of Toronto, has submitted a proposal to complete this work. It is expected the work will be completed in about a month's time.

On completion of these installations, the company plans to start milling operations on a 50 to 60-ton per day basis. Recovery is estimated at about 95 per cent of the gross value of the ore, of which about 70 per cent will be obtained by amalgamation.

Andrew Walz, engineer, estimates that from the 300-ft. level up to the surface a total exceeding 30,000 tons of ore is indicated. This includes a high grade ore shoot having a length of 77 ft. and an average width of 2½ ft. which over a drift width of 5 ft. averages 0.69 ounces per ton or $24.15 at present gold prices.

It is hoped that this grade over the 5-ft. drift width will be substantially increased by stoping operations which will cover a width of about 2½ ft.

Phoenix Molybdenite Corp. Will Sink to 200-ft. Level

A possible ore body, 50 ft. long, 40 ft. wide, and at least 200 ft. deep has been indicated at the property of Phoenix Molybdenite Corp., 7½ miles south of Renfrew, Ont. officials state. This estimate is the result of diamond drilling from the 100-ft. level.

Drilling to the east from two points about 90 ft. apart in the main drift has cut three sections within 240 ft. of the main drift, indicating that molybdenite bearing bodies occur; one section, 100 ft. from the drift, a second 150 ft. from the drift, and a third about 240 ft. from the drift.

Directors point out that until this area can be opened up, the actual presence of ore bodies has to be assumed, but it appears to be an entirely new find.

Directors feel that the result of this drilling justifies the sinking of the present shaft to the 200-ft. level. On this level, further development will be made.

December Gold Output Shows Sharp Increase

Gold production in Canada during December amounted to 307,326 ounces according to a statement just issued by the Dominion Bureau of Statistics at Ottawa. This compares with a production of 293,160 ounces in November and 261,938 ounces in December, 1934. During the calendar year 1935, Canada produced 3,200,470 ounces representing an increase of 10.4 per cent over the 1934 total of 2,972,074 ounces.

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Mining Concerns Newly Formed

Beauplace Mines—Ont. Incorp. Jan. 20, 1936. H.O. Toronto, Ont. Author. Capit., $100,000. Par value $1.

Corinth Mines—Ont. Incorp. Jan. 17, 1936. H.O. Toronto. Author. Cap. 40,000 shares. No par value.

Greenstone Gold Prospecting & Developing Co. Ont. Incorp. Jan. 15, 1936. Author. Cap. $1,000,000. Par value $1. H.O. Port Arthur, Ont.

Jellico Consolidated Gold Mines—Ont. Incorp. Jan. 15, 1936. Author. Cap. $5,000,000. Par value $1. H.O. Toronto.

Norbeau Mines Limited. Dom. Incorp. Jan. 8, 1936. H.O. Noranda, Que. Author. Cap. 2,000,000 no par value.

West Shore Malartic Gold Mines—Quebec Incorp. Jan. 13, 1936. H.O. Montreal, Que. Author. Cap. 3,000,000 par value $1.

Charter Surrendered

Marbuan Gold Mines—Proposes to apply for leave to surrender its charter—Ontario Gazette, Feb. 1, 1936.

New Report Issued On Eagle Hills Area

The Eagle Hills area at Prongua, Sask., ten miles west of Battleford is revealed as structurally favorable for natural gas prospecting, in a report recently released by the Geological Survey, Department of Mines, Ottawa. The report, by Dr. G. S. Hume and C. O. Hage is the first to be issued on the Surveys investigation last year of the natural gas and petroleum prospects of the 30,000 sq. miles area in central eastern Alberta and western Saskatchewan. Copies may be obtained from the Director Bureau of Economic Geology, Ottawa.

Lakeland Gold Elects Complete New Board

A new Board of Directors for Lakeland Gold Ltd. was named at the first annual meeting of shareholders held in Hamilton recently. Apart from election of officers, the meeting was largely routine.

M. D. Wyman, of Hamilton, is president; E. J. Hudson, Hamilton, vice-president; E. J. Ellis, Hamilton, sec.-treas.; Gideon Grant, Toronto, W. J. Anderson, Hamilton, F. Leleu, Hamilton, F. Kleopfer, Guelph, directors.

The new board is making a survey of the company's affairs and expects to be able to make a report to shareholders in the near future.

TORONTO LISTS OMEGA SHARES, NEW PRODUC

Current Assets Set $8,182 on Dec. 31, 1935

Application for listing the capi stock of Omega Gold Mines, Ca Trethewey subsidiary at Lard Lake, Ontario, is approved by t Toronto Stock Exchange. Tradi in the stock started Feb. 13.

Omega was incorporated with Ontario charter last May to devel the properties of Crown Reser Proprietary Mines, and others. T company has an authorized capit ization of 5 million shares, $1 p value, all of which is outstanding.

As reported in a recent issue The Financial Post, the company h started its 300 ton per day mi under satisfactory conditions

According to the balance sheet of Dec. 31, rendered the exchange, t company had current assets of $ 182, while capital assets were show at $4,235,445. To date, $362,740 h been spent on additions to buildi and equipment.

Goodfish Mining Co. Gets More Financ

Shareholders of Goodfish Mini Co., with property about 3 mi north of Kirkland Lake townsi met in Kirkland Lake recently, a approved a by-law covering a agreement with Continental Hol ings Ltd.

Under this agreement, Continent Holdings will finance the propert and shareholders were told that $2 000 had already been paid into t Goodfish treasury under this agre ment.

Operations which have alrea started at the property will be co fined to No. 3 shaft, as recommend by G. R. McLaren, consulting engi eer. Water has been pumped out the 200-ft. level, and a skip installe

Directors elected at the meeti were as follows: A. J. Perron, pre J. W. C. Cornell, vice-pres.; M. Hunt, sec.-treas.; and J. J. Conwa and J. A. Campbell directors.

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Hammell Gets New Property Kootenay, B.C.

Merge Well-known Claims for Lode Operation

VICTORIA GROUP

From Our Own Correspondent

VANCOUVER. — Jack Hammell and associates have taken over the Victoria Group and several other mining properties seven miles south of Nelson in the Kootenay country, and lode operations will be carried on there this spring and summer, if conditions warrant.

The property was taken over as a sequel to negotiations carried on by Captain B. H. Budgeon, field engineer in general charge of the Hammell operations, who has spent several months in British Columbia looking into various prospects.

A programme of exploration will be carried out early this spring and future development will depend on the result of this survey.

Mr. Hammell has not been active in British Columbia mining before except for his association with placer exploration in the Omineca district by Captain Bob Adams.

The Kootenay Star group of claims near Nelson has also been taken over by Hammell, according to Lorne Mackenzie, managing director of Amalgamated Goldfields, Ltd., which will retain a considerable interest in the operating company to be organized. Total payment is to be $85,000. The Kootenay Star group was contained in the consolidation plan of E. Nelson Fell, British mining engineer, in the 1890's.

INCREASED PRICES FOR CRUDE NAPTHA HEARTEN OIL MEN

Imperial Oil Announces Increases of 5-15 Cents

From Our Own Correspondent

CALGARY.—Turner Valley oil companies had cause for satisfaction in the announcement of Imperial Oil that substantial increases would be made effective at once in the prices paid by the company for naphtha and crude oil. The increases range from 5 to 15 cents a barrel.

The new price payable for a barrel of 35 gallons of clear crude naphtha by the refinery is $2.65. The refinery is paying $2.46 a barrel for discolored crude naphtha; $2.32 for crude oil, 50 gravity and up; $2.12 for crude oil, 45 to 45.9 gravity; and $1.55 for crude oil, 40 to 44.9 gravity.

The prices prior to the increases were: $2.55 a barrel for clear naphtha; $2.31 for discolored crude naphtha; $2.19 for crude, 50 gravity and up; $2.07 for crude, 45 to 49.9 gravity; and $1.50 for crude, 40 to 44.9 gravity.

It was the first time refinery prices for naphtha and crude oil had been raised for years. The last change was a decrease made in May, 1934.

Temperatures of between 30 and 50 degrees below zero have seriously impeded drilling operations in Alberta during the last few weeks.

Many drillers, particularly those concerned with the drilling of wildcat wells, have suspended operations pending warmer weather conditions.

Among the tests closed down temporarily are the New Valley well being drilled on a location east of Millarville and northeast of Turner Valley; the McDougall-McLeod well on the Comrey structure; and the Ranchmen's well on the Aldersyde structure. An acid treatment scheduled to be given the Terminal well on the Del Bonita structure has been postponed owing to the severe weather.

Turner Valley deliveries of oil to the Imperial and Bell refineries in January were 79,127 barrels, it was reported this week. This figure is below the monthly average deliveries for 1935 by about 1,000 barrels and is below the December, 1935 figure of 87,353 barrels.

Hinds Acquitted

Alfred Hinds, prominent oil operator and former president of the Merland Oil Company of Canada has been acquitted by a criminal assizes jury on a charge of perjury. The jury found he did not make a false statement on oath in connection with a civil action brought against him by Johnston Investments, Limited.

BURNETT, SOLIBAAKE BACK NEW COMPANY

Pine Grove Placers to Work Section of Lightning Creek

From Our Own Correspondent

VANCOUVER.—Men who have taken a leading part in the development of Cariboo Gold Quartz into one of the chief lode gold producers in the Barkerville section are behind Pine Grove Placers, organized with a share capital of $250,000 to mine a deep channel of Lightning Creek at Pine Grove, about two miles upstream from B. C. Gold Alluvials Co. No. 2 mine at Wingdam.

One of the interesting features of this new operation is that methods similar to those successfully put into practise at B. C. Gold Alluvials will be employed at Pine Grove. The system represents a modification or adaptation of the Australian method of controlling slime or "slum" as it is known in the Cariboo.

Dr. W. B. Burnett, president of Cariboo Gold Quartz and O. H. Solibaake, another director of Cariboo Gold, are behind the new company, with Walter Leek, W. P. Wren and Frederick Field, Vancouver and Seattle business men. There will be no public offering of shares.

The property was acquired from three partners—Jean Roalman, Jim Colly and J. P. Williams, the latter a deep-digging miner of considerable experience who will continue in charge of the mining operations.

Sorting the Mines, 18.

An Impartial Analysis of Listed Stock from A to Z

These little close-ups are aimed at giving The Financial Post's readers a rapid fire inventory of the market today. In no sense are they to be regarded as exhaustive summaries. Each stock will be dealt with in alphabetical order at the rate of three or four a week as space permits.

This is the eighteenth of the series.

Dunwell Mines

Dunwell owns a silver-gold prospect four miles from Stewart, B.C., in the Portland Canal mining division. Production, in the form of concentrates has been intermittent, but the company has never shown itself to be a profitable producer.

The most recent news from the company states that the property is to be operated under lease by a syndicate, which will receive from 5 to 28 per cent of smelter returns, depending on the richness of the ore.

It is understood the syndicate plans to resume production in March, on the basis of 40 tons of ore per day, the concentrates to be shipped to the smelter at Tacoma.

Dunwell has an authorized capital of 1 million shares, of which 852,840 were issued at the time of the last report.

Present silver prices, and past record, keep this property a gamble.

Price Range of Stock

	High	Low	Last
1935			
Common	.17	.03	.03
1936			
Common	.04½	.03½	.04½

Duparquet Mining Co.

Duparquet Mining Co. is developing a property of some 1,037 acres in Duparquet twp., Quebec, about a quarter of a mile from Beattie Gold Mines.

The property has seen considerable development work, having been previously developed by means of two shafts, one to 90 ft. and another, an incline shaft, to 195 ft. About 1,500 ft. of lateral work has been done.

Work done in 1935 was confined largely to surface work and diamond drilling, and results are officially said to be favorable. Recent developments, however, are not known. Some time ago, the company issued a report in which it was stated that ore exposure was 600 ft., with an average grade of $5, and an average width of 25 ft.

Drilling has indicated that the ore body extends to a depth of almost 1,000 ft. Values of $19.25 per ton were obtained over a width of 5 ft.

To date no financial statement has been made public, and it is reported that the treasury has been until quite recently, and may be now, fairly low.

Until the company co-relates all the information gained from development work, and makes public the state of its finances, the public can hardly be blamed for keeping the stock at its present low levels.

Price Range of Stock

	High	Low	Last
1935			
Common	.17	.03	.03
1936			
Common	.04½	.03½	.04¼

Eldorado Gold Mines

The fact that this company is a radium producer, although labelled a gold mine, is due to its rather romantic past.

Originally incorporated to develop a gold prospect in northern Manitoba, the company's early career was one of defeat. The prospect was a failure, and, in order to conserve finances, operations were suspended, and a new property sought. In 1929, Gilbert LaBine persuaded the shareholders to take a chance on a then little known area, in Great Bear Lake.

This was equivalent to putting money on a very dark horse. The district was remote, and hardly known. The ore, pitchblende and silver, contained an element, radium, which was still a bit of a mystery.

The enthusiasm and faith of Gilbert LaBine, and his brother Charles, however, swung the shareholders, and Eldorado Gold Mines became a radium mine. The obstacles to be faced were tremendous. Not only was the area remote from transportation arteries, but the radium market itself was clutched tightly in the hands of the powerful Belgian Radium Trust.

Today, however, the company has a 75 ton per day concentrator at work at Echo Bay, and a fully equipped refinery at Port Hope, Ontario.

Production figures are not obtainable, the management claiming that the highly competitive nature of the operation makes publication of full details inadvisable. In 1934, however, the company had a gross profit of $77,503, and a net of $51,737. That these figures will be very substantially increased during 1935 is apparent from the increased rate of production, and a smoother marketing system.

The degree of success which this company has had, and the possibilities for the future are very difficult to appraise as yet, due, of course, to the pioneering nature of the enterprise, and lack of details.

Probably the greatest problem facing the management is one of marketing, as radium must be supplied quickly, and in comparatively large bulk, when an order is received.

In the meantime, Eldorado remains an interesting speculation.

As at Dec. 31, latest available, the working capital of the company stood at $413,415. On that date, $2,930,000 an authorized capitalization of $3 millions are outstanding.

Price Range of Stock

	High	Low	Last
1935			
Common	2.93	1.00	1.20
1936			
Common	1.26	1.06	1.19

Bousquet Gold Mines Buys Blue Quartz Mill

From Our Own Correspondent

SUDBURY. — Production some time in May is the objective of Bousquet Gold Mines, West River area, now that a milling plant has been definitely purchased and will soon be on its way to the property.

The equipment is that formerly located at the Blue Quartz mine in the Matheson district, and additions will be made to it to bring the capacity up to 50 tons daily. The plant is being dismantled and will be shipped within the next two weeks. In the meantime a 200-h.p. Diesel engine and compressor have been purchased and these also are expected at the property in a few days.

Men are engaged excavating for the mill building, the site having been selected at a point about 150 ft. from the shaft. A new hoist will be installed ready for operation when mining work is resumed.

J. E. Jerome, mining engineer, of Sudbury, is in charge of Bousquet operations, and Jas. Grant, formerly of the Wright-Hargreaves and McIntyre, will superintend installation of the mill.

Small Crew Starts Work On Old Horseshoe Mines

From Our Own Correspondent

WINNIPEG.—A small crew of men is engaged in erecting camps on the property of the old Horseshoe Mines, 42 miles east of Kenora on the Kenora-Rainy River highway. Eastern interests are said to be interested.

Glenora Gold Financed Shareholders Informed

In a progress report to shareholders of Glenora Gold Mines, T. J. Day, president, states that a "substantial" block of treasury stock has been taken up and paid for by interests outside the company, with the result that Glenora Gold Mines is financed to start a programme of underground development.

On the surface, several ore shoots have been opened up by trenching. C. A. Newton has been appointed mine manager. A complete mining plant has been ordered and is now being shipped to the property. The first objective of the shaft is 500 ft. with stations at 300 and 450 ft.

Glenora is operating an old property immediately east of Toburn in the Kirkland Lake camp.

Hudson Patricia Claims Three Years Ore Available

Hudson Patricia Gold Mines operating in the Clearwater Lake section of the Patricia district officially states that development work to date has made available nearly three years' supply of commercial ore on an operating basis of 50 tons a day.

Recently, shareholders authorized increasing the capitalization to 3.5 million shares in order to complete payment on the 50-ton mill, which it is hoped will be in production early in the spring. The mill is being shipped into the property over winter roads.

Officials of the company inform The Post that there are now on hand sufficient funds for its immediate purposes, and no more treasury shares will be sold.

FALCONBRIDGE NET AT 53C PER SHARE SHOWS BIG JUMP

Working Capital, Ore Reserves Are Increased

Increased earnings per share, and a substantially higher working capital position are noted in the annual report of Falconbridge Nickel Mines, the Sudbury producer, for the year ended Dec. 31, 1935.

While tonnage of ore reserves has increased from 2,906,238 tons at the end of 1934 to 4,095,475 tons as at Dec. 31, 1935, the nickel content of these reserves shows a decline from 2.04 per cent in 1934, to 1.93 per cent in 1935.

Earnings per share for the year work out to $0.53 compared with $0.43 per cent in 1934.

In presenting the report to shareholders, Thayer Lindsley, president, points out that from an operating loss in 1930, the company's affairs have steadily improved until, in 1935, a net profit, after taxes and all write-offs, of $1,768,558, an increase of about $350,000 over the previous year, is shown.

Increasing Taxation

Mr. Lindsley refers to the increasing tax load which the company, in common with other mining concerns has had to meet. Taxes increased from 0.15 cents per pound of nickel produced in 1930, to as much as 2.39 cents per pound in 1935.

"Your company is glad to be able to make such handsome contributions to the country's needs," comments the president. "It only hopes that the vast sums collected by taxation are being wisely expended."

Reference is made to the fact that the company, during the past year, added, through purchase and by staking 633 claims to its holdings, at points of geological interest. These additions, the management feels, add materially to the company's potential ore.

Exploration Satisfactory

Exploration of the ore zone laterally from the new main operating shaft, at a depth of 1,400 ft., has been satisfactory, Mr. Lindsley reports.

In dealing with development at the mine, J. G. Hardy, consulting geologist, states that the transition from shrinkage stoping to cut-and-fill stoping which took place during the year, while resulting in slightly higher mining costs, will result in reduced dilution and cleaner ore.

Concentrating plant was extended during the period under review, and housing facilities increased.

Balance Sheet Position

The balance sheet shows increased current assets, due mainly to increased cash, bonds and stocks. Current assets stood at $3,370,070 at the end of 1935, as compared with currents assets of $2,739,033 as at Dec. 31, 1934. Fixed assets also increased so that total assets amounted to $9,557,552.

Income and surplus account, for the years ended Dec. 31, 1934 and 1935 follows:

Cons. Income and Surplus Account Years Ended Dec. 31

	1935	1934
	$	$
Gross metal sales	4,829,720	4,265,029
Less: Selling, delivery & exch.	189,347	263,477
Add: Inventory incr.	81,632	61,059
Inc. from oper.	4,722,005	4,062,611
Less: Mining, smelt. & refining expense	2,337,040	2,012,684
Admin. & gen. exp.	75,297	63,880
Operating profit	2,309,668	1,986,047
Add: Non-oper. rev.	94,268	84,464
Gross profits	2,403,936	2,070,511
Less: Taxes	246,819	163,857
Def. develop. w/o.	135,772	104,711
Depreciation	437,159	403,654
	1,584,186	1,398,289
Add: Profit on sale of secs.	184,372	17,597
Net profit	1,768,558	1,415,886
Less: Dividends	997,670	902,173
Surplus for year	770,888	513,713
Add: Prev. surplus	1,156,611	642,898
Balance carried for'd.	1,927,499	1,156,611
Earns. per Share and Divd. Record:		
Earned	$0.53	$0.43
Paid	0.30	0.27½
Shares Outstand. as at Dec. 31	3,337,007	3,321,757

List More Smelters' Stock As Bonus for Its Employees

Application of Consolidated Mining and Smelting Co. of Canada to the Montreal Stock Exchange for the listing of an additional $7,500 capital stock consisting of 300 shares of par value of $25 each has been accepted, The Financial Post is informed. This makes a total amount listed of $16,305,175, consisting of 652,207 shares, par value $25 each of an authorized issue of $20 millions.

The stock being applied for is to provide shares voted by the board of directors as bonuses to the operating staff and employees who have completed three years' continuous service with the company.

Mining Enquiries

O'Brien Gold Mines

I bought some O'Brien Gold Mine stocks when it was issued at $1 per share. I have been very disappointed with the market action since. What is the trouble?

O'Brien Gold Mines owns a producing gold property in Cadillac Township of Quebec. From September 9, 1934, to Otober 5, 1935, a period of thirteen months, the company's net profits totalled $6,300. In M. J. O'Brien Limited, who control and manage the company, it is in good hands. Ore reserves, including, probably, broken and development dump ore, total about 34,000 tons, grading about 0.2 oz. gold to the ton.

The discrepancy between the issued price of $1 and the current price, which at time of writing is about 55 cents a share, must be credited largely to the fact that development work has not been as startling as was hoped, and that Nesbitt Thompson & Co., who sponsored the offering adopt the sane policy of not artificially supporting a market.

Under present situations, the future of this property will largely depend on results obtained in developing the four new levels.

Anglo-Huronian

A brief word on Anglo-Huronian would be appreciated. In general terms, what do you think of this company's record and its future?

Anglo-Huronian Mines is a holding company which has, in the past, demonstrated shrewd and competent management. The company's investments have been satisfactory, and while it is early to predict whether the dividend rate will be increased, the company's record in this regard has been good. Andre Dorfman, president of this company, is known as a shrewd market man, and his handling of the affairs of Anglo-Huronian has been satisfactory from the shareholder's point of view.

You may be aware that the company has been looking for a property for development, and in the Rose Lake property of Prospectors Airways, in which Anglo-Huronian is strongly interested, officials believe they have the makings of such a property. This, of course, would materially strengthen the outlook for Anglo-Huronian and would go a long way toward giving it a stability which an investment company, no matter how well managed, usually lacks.

Manitoba Basin

What is happening to Manitoba Basin Mining Co.? I hold some stock in this company and would appreciate a word from you.

Manitoba Basin Mining Co. is still in existence, but as far as we are aware has no large-scale development programme under way. This company was formed by interests associated with Stobie Forlong & Company, Toronto brokers, now defunct, to develop mining prospects in Manitoba. When Stobie Forlong & Company went into liquidation in 1930, most of the company's mining properties were dropped.

Stobie Forlong Assets Limited, large shareholders of the company, have been managing its affairs, endeavoring to develop the remaining assets. Principal interest centres about the company's prospects in the Swayze area of Ontario and the Great Bear Lake area, North West Territories. Late last year, the company acquired an interest in the Lake Athabaska field.

This property, along with the rest of Manitoba Basin holdings, is a raw prospect, and although no financial statement has been issued, it is generally understood that the company's treasury is in no position to meet any large-scale development programme. Accordingly, it appears obvious that some form of refinancing will be necessary before this concern can achieve anything worth while.

The company's stock was de-listed from the mining section of the Toronto Stock Exchange.

Hudson Patricia

I have been strongly advised to buy some Hudson Patricia stock. I cannot possibly afford to lose my money but would like very much to make a profit, just at this time. What is your advice in connection with this stock?

Latest reports from Hudson Patricia Gold Mines, in the Clearwater Lake section of the Patricia district, indicate that the company is attempting to bring the property into production early in the spring of this year. Officials state that development work has indicated three years' supply of commercial ore on an operating basis of 50 tons per day.

Recently, the capitalization of the company was increased to 3.5 million shares in order to finance the mill. It is also understood that the company now has sufficient funds on hand to bring the property into production, and that no more shares will be sold.

At present prices, and always bearing in mind that the company has not yet emerged from the speculation class, this property appears to offer a fair enough speculation at the present time.

Reno Gold Mines

What is your opinion of Reno Gold Mines as an investment, and not as a speculation? Or is it an investment, in your opinion?

Reno Gold Mines, a producing mine in the Nelson district of British Columbia, is currently carrying out a substantial exploration programme in the hope of showing up new ore, of which the company appears badly in need. The company is now on a regular dividend basis of 12 cents a share annually but how regular this dividend will be remains to be seen. The company is handled by sincere men, but production has not been up to early expectations. The fact that the current exploration programme may possibly locate a new ore body makes of this company a speculation, but it is a speculation only.

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Cullen—Paper Empire Builder

New Head of International Paper Silent on Personal Background but Business Career Is Eloquent of Accomplishment

Silent But Aggressive

If Richard J. Cullen, new president of International Paper and Power Co. has an inspiring personal story to tell of his rise in the paper industry to the head of a $250 million enterprise, he is going to keep it to himself.

That is, so far as the personal aspects are concerned, for his career in business is an open book in which repeatedly occurs the story of Mr. Cullen's own aggressive initiative and enterprise. He built and directed paper mills, until associating himself with International.

Mr. Cullen has no stereotyped "success story" for public consumption, and to requests for his photograph, he replies with an unmistakable "No." He started his business career in Hawkesbury, Ont., leading to the belief that he is a Canadian, but like every other aspect of Mr. Cullen's personal history and background, even that fact is uncertain so far as the public knows. This is the story of his business career.

From Our Own Correspondent

MONTREAL. — Builder, operator and administrator are the triple qualifications of Richard J. Cullen, who has been elected to succeed Archibald R. Graustein as president of International Paper and Power Co. and International Paper Co., operations of which extend from the Gulf of Mexico to Newfoundland.

In his new position, Mr. Cullen will exert a dominant influence on the newsprint, pulp and kraft paper markets of the world. Through I. P. and P. he will be interested in the operations of one of the world's largest hydro-electric systems.

Because of his important position, the man and his background of achievement are of international interest, but more particularly in Canada and the United States, the centres of International's operations.

Mr. Cullen is one of the increasingly rare type of business man who draws a sharp line between his personal and business life. His career in the business world is one that can be easily traced, but his personal life is a closed book, even to his associates.

Maybe a Canadian

Where was he born?

The answer is not to be found at the usual sources of such information and Mr. Cullen has not seen fit to make the information public. The fact that he started his business career at Hawkesbury, Ont., leads to the assumption he is Canadian-born.

He has no story of boyhood struggles or known hobbies. What he does in the hours away from business he regards as his own affair.

He has no formula of success to hand out to a public that thrives on success stories.

Won't Have Picture Taken

When his appointment as president of International Paper was announced, the head office in New York was besieged by newspapers and press services for his photograph. There was none to be had.

Would Mr. Cullen consent to having his picture taken?

A very emphatic "No!" was the answer.

Even "Who's Who," that fount of Knowledge on the great and near great in public life and business, does not list the name of a man, who, probably more than anyone else, has been responsible for the development of the pulp and paper industry in the Southern United States.

Against Publicity

Wherever one turns in seeking information on the personality of Mr. Cullen, the trail leads up a blind alley. In few words, he has an aversion to publicity bearing on himself or his private life, but his business career is open to all who are interested.

Though Mr. Cullen is averse to expressing his opinions publicly, he is a firm believer in co-operation within the industry. This side of the man will appeal greatly to other newsprint manufacturers, who have seen the industry badgered and bedevilled by a lack of co-operation over the past five years or more.

Started in Canada

He first became identified with the paper industry in 1903 when he designed and constructed the Hawkesbury bleached sulphite mill for the Riordons and now owned and operated by Canadian International Paper.

Pioneer in Southern Field

Some years later Mr. Cullen saw the possibilities of manufacturing kraft pulp and paper in the Southern States and in 1918 became financially interested in Louisianna Fibreboard Co. of Bogalusa. He built the company's mill and operated it as vice-president and general manager until it was purchased by the Great Southern Lumber Co.

In 1919 he became associated with John I. Beggs of Milwaukee, who, for many years, was a leader in the power industry and an important factor in the North American Co.

His first venture in the south, in which he was the leading spirit, was the Century Roofing Co. The plant of this company, which he built, was located on the industrial canal in New Orleans and was later sold to the Richardson Co. of Lockland.

Organized Bastrop Pulp

He then organized Bastrop Pulp and Paper Co. and designed and built the mill for the manufacture of kraft pulp and paper with a daily capacity of 175 tons. This mill was purchased by International Paper in 1925.

Following Bastrop, the mill of Louisiana Pulp and Paper Co. was designed and built by Mr. Cullen. John I. Beggs was substantially interested in this undertaking. The plant, acquired by International Paper Co. early in 1927, produces kraft pulp and paper and cylinder linerboard and has a capacity of 250 tons a day.

Joined I. P. in 1927

At the time of the purchase of the Louisiana mill, Mr. Cullen joined International Paper. A subsidiary known as Southern International Paper Co. was formed and he became president. This company was succeeded by Southern Kraft Corp., also a division of International Paper and Mr. Cullen became its head.

Southern Kraft then began a period of expansion which resulted in a great increase in its productive capacity. The Camden, Ark., mill, with a daily capacity of 250 tons, was designed and built by Mr. Cullen and completed early in 1928. A few months later the Moss Point, Miss., mill was purchased.

The Mobile, Ala., mill, of a daily capacity of 275 tons and also designed and built by him, began production in the latter part of 1929.

Pioneered in Linerboard

Shortly after this mill had been placed in operation the great possibilities of Fourdrinier sulphate board for manufacturing shipping containers became apparent to Mr. Cullen. This resulted in his designing and building the Panama City, Fla., mill especially adapted to the production of kraft linerboard.

Completed early in 1931, this plant is now producing 625 tons a day. During this period the Fourdrinier kraft liner production of Southern Kraft has risen from nothing to the present rate of approximately 350,000 tons a year.

In addition to having supervision over the manufacturing operations of these mills, Mr. Cullen also has charge of the sale of their products.

Came to Fore Rapidly

He became a vice-president of International Paper Co. in December, 1927, and was elected president of Continental Paper and Bag Corp. in January, 1931. In May, 1935, there was added to his duties the management of manufacture of all mills of International Paper Company and its subsidiaries with the exception of the Hawkesbury and Kipawa bleached sulphite pulp mills.

Upon receiving these additional responsibilities, he began the modernization of all mills then placed under his authority and a large part of this work has now been completed.

Mr. Cullen became a director of International Paper and Power and International Paper Co. early this year and president of both organizations this month.

Huron & Erie Director

J. W. SPEARS

Who has been elected a director of the Huron & Erie Mortgage Corp. and the Canada Trust Co. Up until last November when he retired on pension, Mr. Spears was assistant general manager of the Bank of Montreal at Winnipeg, in charge of western branches.

Many Changes For Licensing Motor Vehicles

Many jurisdictions in the United States have made important changes in automobile licensing plans for 1936.

Most important is that of Connecticut, which has adopted license plates good for five years without change. They are to be of aluminum, hence proof against rust. Initial cost will be higher, says Business Week, but ultimate cost lower than five succeeding issues. Inserts will be made each year to show the owner has paid his fee.

The major tendency in most states is to make it cheaper for an owner to keep his vehicle in operation so he will use more gasoline and thus increase tax revenue.

At least eight states have reduced registration fees, while 30 others have changed the licensing deadline from the year-end to early spring to encourage owners to use their cars on through the winter

Ottawa Stand On Coal Bonus Is Unchanged

Lower Amount in "Estimates" Disturbs Dominion Coal Shareholders

COVER SALES

From Our Own Correspondent

MONTREAL.—Holders of Dominion Coal Co.'s preferred stock were considerably perturbed when the estimates, showing a reduction of $500,000 in the appropriation for coal subventions, were tabled in the House of Commons, Ottawa.

For the fiscal year ended March 31, 1935, the estimate for this purpose was $2.4 millions and in the current estimates it had been reduced to $1.9 millions.

Shareholders of Dominion Coal Co. were at first inclined to the view that the reduction in the provision for the subvention meant a change in the government's policy, but an official statement by the Deputy Minister of Railways and Canals indicates that there has been no change. The reduction in the estimates is due to the fact that the amount asked for last year was based upon an estimated traffic which did not materialize.

This year's estimate is based upon traffic for 1935, but less than the traffic estimate for that year.

Under the Maritime Freight Rates Act, shippers receive 20 per cent reduction in the regular rate and this amount is later refunded to the railways in the form of a subsidy. In the event of the traffic movement being greater during the current year than estimated, the government will make up the difference by appropriating additional funds.

Irvine Elected Director Of Woods Manufacturing

From Our Own Correspondent

MONTREAL.—A. M. Irvine, vice-president in charge of sales of the Dominion Steel and Coal Corp., has been elected a director of Woods Manufacturing Co. to fill a vacancy on the board.

Halifax Cargo Tonnage Greater During January

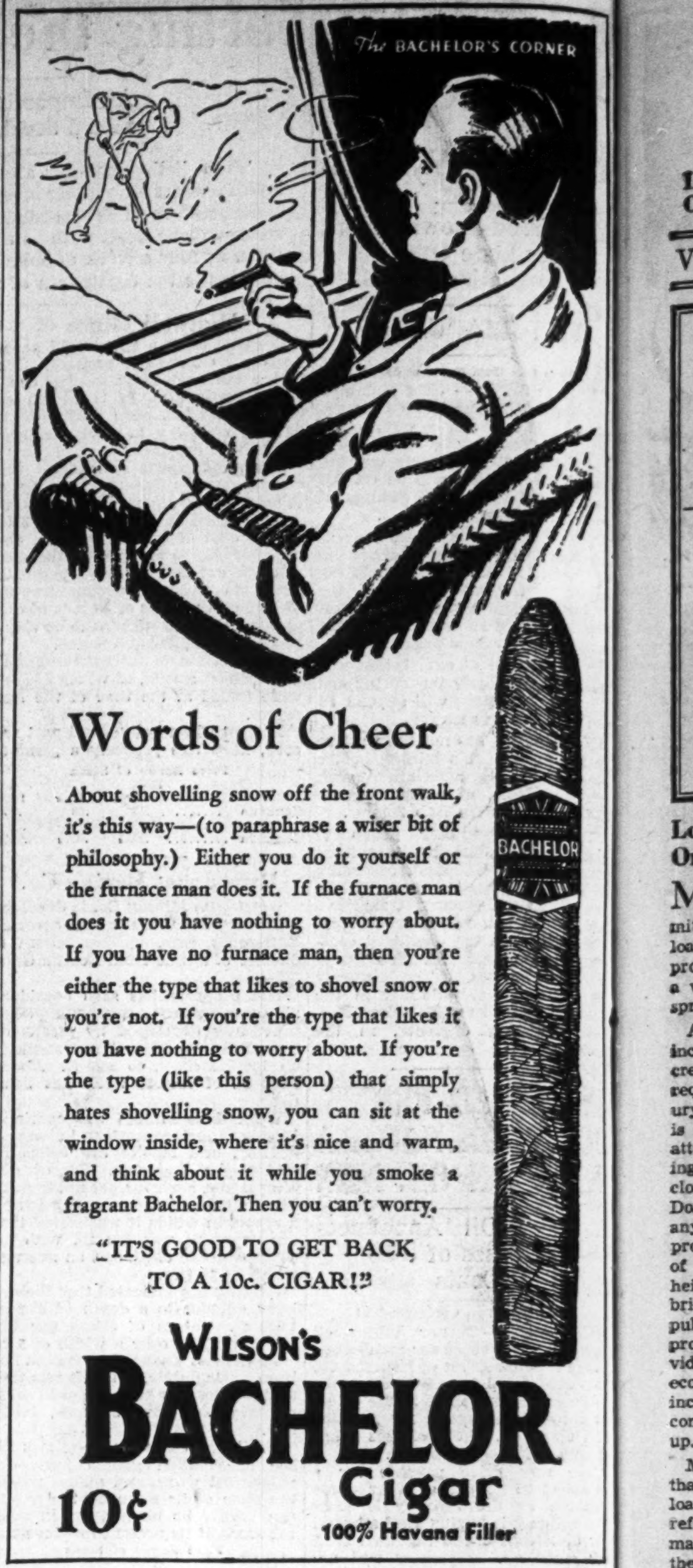
From Our Own Correspondent

MONTREAL. — Cargo tonnage handled at the port of Halifax during January recorded an increase over that reported for the same month last year.

Imports last January amounted to 137,815 tons, as against 125,261 tons in the same month last year. Export tonnage at 105,039 tons was about 4,000 tons greater than in 1935.

Maritime Electricity

The Maritime Provinces recorded an output from central electric stations during the first eleven months of 1935 at 715,852,000 kilowatt hours, as compared with 697,446,000 kw.h. in the same period of 1934.



Words of Cheer

About shovelling snow off the front walk, it's this way—(to paraphrase a wiser bit of philosophy.) Either you do it yourself or the furnace man does it. If the furnace man does it you have nothing to worry about. If you have no furnace man, then you're either the type that likes to shovel snow or you're not. If you're the type that likes it you have nothing to worry about. If you're the type (like this person) that simply hates shovelling snow, you can sit at the window inside, where it's nice and warm, and think about it while you smoke a fragrant Bachelor. Then you can't worry.

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Municipal Finances

Halifax, N.S., has under consideration issuance of $1,383,907 of bonds. Of this amount, $243,807 represents new borrowing. It is proposed that the remaining $1,140,100 be used to retire $309,000 of six per cent bonds and two debenture stock issues totalling $831,100.

* * *

Cap-de-la-Madeleine, P.Q., is paying interest coupons on its bonds due Feb. 1, 1936.

* * *

Bourget Township, P.Q., is paying interest coupons due March 1, 1935, and interest on past due bonds to May 1, 1935.

* * *

Bagot Township, P.Q., is paying interest coupons of November and December, 1932, and May and June, 1933.

* * *

Laterriere, P.Q., has been authorized to pay interest on its bonds to Nov. 1, 1935.

* * *

Jonquiere, P.Q., is paying interest coupons of Dec. 1, 1935; Jan. 1, 1936; and Feb. 1, 1936.

* * *

Brandon, Man., has decided to continue the administration of relief as a result of the promise of the provincial government to pay an additional ten per cent of the relief costs. The council had previously announced that it would be unable to take care of relief expenditures after the end of January. The provincial government is reviewing the city's position with a view to giving guidance to the city's policies.

* * *

Sydney, N.S., continues to improve its financial position. In 1935, the city had a surplus of $33,000. The bank overdraft has been reduced to $260,000 from $372,000 at the end of 1934. Tax collections in 1935 were the best in years, amounting to $545,000. The city has a gross debenture debt of $3,640,000 against which a sinking fund is $1,265,000.

* * *

St. Thomas, Ont., tax prepayments for 1936 amounted at Jan. 31 to 13.6 per cent of the total tax bill. Tax arrears at the end of 1935 stood at $365,432. This was reduced by $9,939 during January.

* * *

York County, Ont. tax rate for 1936 is 9.95 mills, an increase of .45 mills over 1935. Mounting expenditures in hospitalization, mothers' allowance, old age pensions and other social services necessitated the increase.

* * *

Saskatoon will show a small surplus for 1935, the first since 1929.

* * *

Brantford, Ont., in 1935 issued debentures totalling $381,501 and paid off $360,296, increasing the gross debenture debt at Dec. 31, 1935, to $5,255,561; increase in capital debt was $21,204.

* * *

Charlottetown, P.E.I. reports a deficit of $47,833 in 1935. Expenditures amounted to $264,740 and receipts to $216,906. Tax collections totalled $168,262.

* * *

Kitchener, Ont., tax rate for 1936 is 42.25 mills. This is an increase of .55 mill over 1935.

* * *

Toronto reports a net increase of $2.2 millions in property assessment for 1936. The 1936 assessment is $980 millions. Tax exempt property has increased by $2 millions to $158 millions.

* * *

Winnipeg does not contemplate any increase in real property taxation in 1936 although assessment has been cut $3 millions. The city hopes to find other sources of revenue to offset the loss of $102,000 in revenue resulting from the lower assessment.

* * *

Antigonish, N.S., has authorized the issue of $30,000 of debentures.

* * *

Montreal has provisionally approved an increase of $1,550,000 in relief costs in order to provide free medical care and electric light for the unemployed and 25 per cent more rent for landlords. The Dominion and Quebec governments are to be asked two-thirds of this extra cost.

* * *

Escoumains, Que., is meeting interest coupons due Feb. 1, 1936.

* * *

Revelstoke, B.C., had a surplus of $815 in 1935. Gross debenture debt was reduced during the year from $432,000 to $412,500. Sinking fund investments amounted to $90,509 so that net debenture debt was $321,911.

* * *

Halifax cut its relief expenditures in January to $31,057 from $46,405 in the same month of 1935. At the end of January, there were 7,225 persons on relief.

C. N. R. to Abandon Line On Port Perry Subdivision

From Our Own Correspondent

MONTREAL.—Canadian National Railways has been given authority by the Board of Railway Commissioners to abandon operation of part of its Port Perry, Ontario, subdivision between Cresswell and Port Perry.

The railway asks permission to abandon that part of the subdivision between Whitby and Cresswell, a distance of 30 miles, but the Board ordered it to rehabilitate the road between Port Perry and Whitby and to handle whatever traffic was offered. The Board, however, added that its judgment was made without prejudice to any further applications that the railway might make after two years.

The judgment will take effect on March 4.

Immigration in Past Year Drops to Confederation Low

Immigration to Canada dropped 10 per cent in 1935, according to figures compiled by the Statistical Branch of the Department of Immigration and Colonization. Total newcomers for the year amounted to 11,277, which marks a new low point in Canadian history in comparison with the figure of 165,000 in 1929. Even in 1868 a total of 12,765 persons were admitted to Canada.

Of the new total, more than half (5,291) came from United States, while 2,103 came from the British Isles. The next important group was Hebrews (560) followed by Ruthenians (476); Polish (405); Slovaks (400) and Italians (333).

Almost half the immigrants came to Ontario, with 20 per cent to Quebec and 11 per cent to British Columbia.

As in previous years, bulk of the immigrants from United States came from New York State and from Michigan.

Nova Scotia Fire Loss

The 1935 fire loss of Nova Scotia was the lowest in the history of organized fire prevention in the province. The total amounted to $1,155,759, a decrease of $63,450 from that of the previous year.

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